

AUDIT AND GOVERNANCE COMMITTEE

**Minutes of the Audit and Governance Committee Meeting
held Monday 13 October 2014 at 7.02pm
at the Unley Civic Centre
181 Unley Road Unley**

PRESENT

Mr John Rawson (Presiding Member)
Mr Shaun Matters
Mr Ed Parker
Councillor Michael Saies
Councillor Rob Sangster

OFFICERS PRESENT

Mr S Faulkner, General Manager People and Governance
Mr M Carey, Finance Manager
Ms R Box, Executive Assistant to GM People and Governance

GUEST

Mr Geoff Edwards – Partner – Audit, BDO

APOLOGIES

Mr P Tsokas, Chief Executive Officer

CONFLICT OF INTEREST

Nil

REPORT TO COUNCIL

27 October 2014

CONFIRMATION OF MINUTES

MOVED S Matters
SECONDED E Parker

That the minutes of the Audit and Governance Committee meeting held on 12 August 2014 as printed and circulated, be taken as read and signed as a correct record.

CARRIED UNANIMOUSLY

DEPUTATIONS / PRESENTATIONS

Mr Geoff Edwards, Audit Partner BDO
City of Unley's 2013-14 Financial Statements

SUSPENSION OF MEETING PROCEDURES

The Presiding Member advised Members he thought the meeting would benefit from a suspension of meeting procedures for the duration of the presentation of the City of Unley's 2014/14 Financial Statements by Mr Geoff Edwards (Audit Partner BDO).

This was agreed with a two thirds majority.
Meeting procedures were suspended at 7:05pm

Mr Geoff Edwards joined the meeting at 7:06pm

The Presiding Member asked staff to leave the meeting at 7:30pm to facilitate a private discussion with the Auditor.

Staff were recalled to the meeting at 7:45pm

Mr Geoff Edwards left the meeting at 7:49pm

Meeting procedures resumed at 7:50pm

REPORT OF OFFICERS

ITEM 99 **GENERAL PURPOSE FINANCIAL STATEMENTS**

MOVED R SANGSTER
SECONDED S MATTERS

That:

1. The report be received.
2. The Audit and Governance Committee:
 - a) Having reviewed the City of Unley's General Purpose Financial Statements for 2013-14, contained in Attachment 1 and External Auditor BDO's Annual Audit Completion Report contained in Attachment 2 (as amended), considers that the General Purpose Financial Statements present fairly the state of affairs of Council and can be presented to Council for noting on 27 October 2014.
 - b) Considers that the City of Unley's General Purpose Financial Statements for 2013-14, contained in Attachment 1, can be certified by the Chief Executive Officer and the Mayor.
 - c) Notes the Certification of Auditor Independence signed by BDO as contained in Attachment 3 and considers that Council's Certification of Auditor Independence contained in Attachment 4 can be certified by the Chief Executive Officer and the Presiding Member of the Audit and Governance Committee.
 - d) Notes the Centennial Park General Purpose Financial Statements for 2013-14, signed by Centennial Park's External Auditor, contained in Attachment 5.

SUSPENSION OF MEETING PROCEDURES

The Presiding Member advised Members he thought the meeting would benefit from a suspension of meeting procedures for up to 30 minutes to discuss this Item.

This was agreed with a two thirds majority.
Meeting procedures were suspended at 7:51pm
Meeting procedures resumed at 8:13pm

The motion was put and **CARRIED UNANIMOUSLY**

ITEM 100
DRAFT LONG TERM FINANCIAL PLAN

MOVED M SAIES
SECONDED S MATTERS

That:

1. The report be received.
2. The Draft Long Term Financial Plan 2014-15 to 2023-24 (*Attachment 1 to report 100/14*) be noted.
3. Comments from the Audit and Governance Committee relating to the Draft Long Term Financial Plan be noted.
4. The following financial indicators of the Long Term Financial Plan be adopted:
 - An Operating Surplus Ratio of the greater of 3% or 100% of principal repayments
 - The Net Financial Liabilities Ratio does not exceed 80% of the Total Operating Revenue less NRM Levy
 - The Asset Sustainability Ratio target of a 100% average over a 10 year period be calculated using both infrastructure and asset management plan required expenditure and annual depreciation expense.

SUSPENSION OF MEETING PROCEDURES

The Presiding Member advised Members he thought the meeting would benefit from a suspension of meeting procedures for up to 30 minutes to discuss this Item.

This was agreed with a two thirds majority.
Meeting procedures were suspended at 8:15pm

EXTENSION OF MEETING PROCEDURES

The Presiding Member suggested a further extension to the suspension of meeting procedures for 30 minutes with the full agreement of the meeting.

Meeting procedures were suspended at 8:45pm
Meeting procedures resumed at 9:12pm

R Sangster MOVED as an AMENDMENT, SECONDED E Parker

That:

1. The report be received.
2. The Draft Long Term Financial Plan 2014-15 to 2023-24 (*Attachment 1 to report 100/14*) be noted.
3. Comments from the Audit and Governance Committee relating to the Draft Long Term Financial Plan be noted.
 - The Committee recommends the Council review all services and asset portfolios to determine whether they are required in their current forms in view of the desired significant future capital expenditures.
 - The Committee recommends the administration undertake further modelling of the allocation of forecast wage and annual weekly earnings given the current economic climate and community expectations.
4. The following financial indicators of the Long Term Financial Plan be adopted:
 - An Operating Surplus Ratio of the greater of 3% or 100% of principal repayments
 - The Net Financial Liabilities Ratio does not exceed 80% of the Total Operating Revenue less NRM Levy
 - The Asset Sustainability Ratio target of a 100% average over a 10 year period be calculated using both infrastructure and asset management plan required expenditure and annual depreciation expense.

The amendment was put and **CARRIED**

The AMENDED MOTION was put and **CARRIED UNANIMOUSLY**

ITEM 101
SAVINGS IDENTIFIED

MOVED S MATTERS
SECONDED M SAIES

That:

1. The report be received.

CARRIED UNANIMOUSLY

****ITEM 102**
AUDIT AND GOVERNANCE WORK PLAN 2014/15

MOVED S MATTERS
SECONDED R SANGSTER

That:

1. The report be received.
2. The Audit and Governance Committee Work Plan be endorsed with the addition of a review of the financial policy framework be included on the Work Plan for 2015.

CARRIED UNANIMOUSLY

ITEM 103
CORRESPONDENCE

That:

The correspondence:

1. Centennial Park Audit and Risk Committee Minutes - 13 September 2014

be received.

CORRESPONDENCE WAS NOTED

OTHER BUSINESS

It was noted that this is Cr Michael Saies' last meeting as he has not renominated for Council in the upcoming elections.

The Presiding Member thanked Cr Saies for his contribution to the Audit and Governance Committee.

CLOSURE

The Presiding Member closed the meeting at 9:28pm

NEXT MEETING

The meeting dates for 2015 have yet to be set. The Committee will be advised of 2015 meeting dates in due course.

.....
PRESIDING MEMBER

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DATE