

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD IN THE CIVIC CENTRE, 128 PROSPECT ROAD, PROSPECT ON THURSDAY 12 JANUARY 2017 AT 4:40PM**

**PRESENT:**

Presiding Member: L Kozlovic  
Committee: C Garrett, D Moffatt, Mayor D O'Loughlin, Cr T Evans

**IN ATTENDANCE:**

Chief Executive Officer	C Hart
Director Corporate Services	G Moon
Director Community & Planning	N Cunningham (4.56pm)
Manager Governance & Administration	J Tanti
Manager Community Development	B Lott
Manager Financial Services	C Birch
Minute Taker	S Lovering

1. **ON LEAVE:** Nil.

2. **APOLOGIES:** Nil.

**3. CONFIRMATION OF MINUTES:**

Corinne Garrett moved David Moffatt seconded

- (1) The Minutes of the Audit Committee Meeting held on 19 December 2016 as circulated be taken as read and taken as a true record.

**Carried AC1/17**

4. **PRESIDING MEMBER'S REPORT:** Nil.

5. **QUESTIONS WITH NOTICE:** Nil.

6. **QUESTIONS WITHOUT NOTICE:** Nil.

7. **DEPUTATIONS:** Nil.

8. **NOTICES OF MOTION:** Nil.

9. **DECLARATION BY MEMBERS OF CONFLICT OF INTEREST:** Nil.

10. **PROTOCOL:**

**11. REPORTS**

**REPORTS OF THE CHIEF EXECUTIVE OFFICER: Nil.**

**REPORTS OF THE DIRECTOR CORPORATE SERVICES:**

**Item 11.1 Community Hub, Library & Innovation Centre (CLIC) – Project Management Process**

Audit Committee Chair sought leave of the meeting to suspend meeting procedures until 5:00pm to discuss item 11.1 on the Agenda.

Leave granted.

Meeting procedures were suspended at 4.45pm.

Meeting procedures resumed at 5:00pm.

Audit Committee Chair sought leave of the meeting to suspend meeting procedures until 5:20pm to further discuss item 11.1 on the Agenda.

Leave granted.

Meeting procedures were suspended at 5.00pm.

Meeting procedures resumed at 5.18pm.

Corinne Garrett moved David Moffatt seconded

- (1) That the Audit Committee having considered Item 11.1 Community Hub, Library & Innovation Centre (CLIC) – Project Management Process receives and notes the report as being satisfied with the processes undertaken for the CLIC Project.
- (2) That the Audit Committee recommends a report to Council includes a sensitivity analysis on the probabilities of variance in projected borrowing interest rates, property sale income, development income and capacity to fund the CLIC Project in the event of substantial variation.
- (3) That the Audit Committee recommends to Council as the CLIC Project progresses specialist expertise be engaged to assist in the project deliverables, particularly if a mixed use development option is chosen.
- (4) That the Audit Committee recommends Council notes that independent experts have attempted to balance social and financial measures to determine the various options. These options have specific assumptions that are subjective and should be understood.
- (5) That the Audit Committee recommends to Council that should an option be adopted all the elements within the option should be considered in totality, as risk mitigation has been factored into each option. Should elements of an option not be realisable or accepted then Council should reconsider the merits of the option including risks and financial implications.

**Carried AC2/17**

**Item 11.2 Review of Long Term Financial Plan – Key Financial Indicators**

Corinne Garrett moved David Moffatt seconded

- (1) That the Audit Committee having considered Item 11.2 Review of Long Term Financial Plan – Key Financial Indicators receives and notes the report.
- (2) That the Audit Committee having considered the Long Term Financial Plan Assumptions for the years ending 30 June 2018 - 2027 (as provided in Attachment 1), recommends Council's endorsement for use in drafting the Long Term Financial Plan.
- (3) That the Audit Committee having considered the following key performance indicators, recommends for Council's adoption in preparation of the Long Term Financial Plan and 2017-2018 Budget deliberations:
  1. Operating Surplus Ratio for an individual year (1%) - 5%
  2. Operating Surplus Ratio for a 5 year average period 1% - 3%
  3. Net Financial Liabilities Ratio for an individual year 10% - 90%
  4. Net Financial Liabilities Ratio for a 10 year average period 10% - 60%
  5. Asset Sustainability Ratio 100% - 120%

**Carried AC3/17**

**12. GENERAL BUSINESS:** Nil.

**13. GENERAL BUSINESS – Urgent Matters:** Nil.

**14. CONFIDENTIAL ITEMS:** Nil.

**15. CLOSURE:**

The meeting closed at **6:18pm**

.....  
**Mr L Kozlovic**  
Presiding Member