



# **SUMMARY REPORT**

## **AUDIT COMMITTEE**

**MEETING HELD ON**

**24 FEBRUARY 2009**

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**AUDIT COMMITTEE MEETING  
HELD AT  
THE DAREBIN CIVIC CENTRE,  
350 HIGH ST, PRESTON ON TUESDAY, 24 FEBRUARY 2009**

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**THE MEETING OPENED AT 3.35PM**

**1. PRESENT**

**Members:**

Ms Merran Kelsall – Chairperson  
Mr Colin Parker – Independent External Member  
Mr Albert Zago – Independent External Member  
Cr Vince Fontana – Committee Member  
Cr Gaetano Greco – Committee Member

**External Auditors:**

Mr Robert Wernli, DFK Collins  
Mr Mark Warren, DFK Collins

**Internal Auditors:**

Mr Jason Agnoletto – PricewaterhouseCoopers  
Mr Mark Trajcewski – PricewaterhouseCoopers

**Officers:**

Mr Michael Ulbrick – Chief Executive Officer  
Mr Bruce Dobson – General Manager Corporate Services  
Mr Jeff Saker – General Manager City Services  
Mr Kevin Breen – General Manager City Development  
Mr Ray McQuillen – Manager Customer & Civic Services  
Ms Catherine O’Mallon – Manager Risk Services  
Mr Michael O’Riordan – Group Coordinator Accounting, Payroll & Purchasing

**Minutes:**

Ms Marisa Schiavello

**1.1 WELCOME**

Mr Ulbrick opened the meeting at 3.35pm and advised that Ms Kelsall would arrive shortly. He welcomed new and long standing members to the meeting and introductions were made as this was the first Audit Committee meeting for Cr Greco, Mr Wernli and Mr Warren.

**2. APOLOGIES**

There were no apologies received.

### 3. ELECTION OF CHAIRPERSON

#### BACKGROUND:

The Audit Committee is an Advisory Committee appointed pursuant to section 139 of the Local Government Act 1989 to assist Council in fulfilling its responsibilities relating to internal control mechanisms and external reporting requirements.

In accordance with the Audit Committee Charter (see Attachment), a Chairperson is elected at its first meeting following the Special Meeting of Council.

On 18 February 2008, Ms Kelsall was reappointed as Chairperson of Council's Audit Committee for a period of 12 months.

#### PROCESS:

The General Manager Corporate Services will invite nominations for election to the position of Chairperson of the Audit Committee. If a ballot is required, then the General Manager Corporate Services is required to conduct an election in accordance with the City of Darebin Governance Law 1999.

#### COMMITTEE DISCUSSION

The Chief Executive Officer, Mr Ulbrick, called for nominations for election of a Chairperson. Ms Kelsall was nominated for the position by Mr Parker and seconded by Cr Fontana. There being no further nominations Ms Kelsall was duly declared Chairperson of the Audit Committee for the next 12 months.

#### 3.1 TEMPORARY CHAIRPERSON

As Ms Kelsall would arrive late, Mr Ulbrick advised that it was necessary to appoint a Temporary Chairperson for the meeting. Mr Parker nominated Mr Zago to the position of interim Chair and the nomination was seconded by Cr Fontana. Mr Zago was declared elected as Temporary Chairperson.

### 4. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

#### COMMITTEE DECISION

**MOVED:** *Mr Albert Zago*  
**SECONDED:** *Cr Vince Fontana*

**THAT** the minutes of the Audit Committee Meeting held on Tuesday, 11 November 2008 be confirmed.

**CARRIED**

## 5. MATTERS ARISING FROM PREVIOUS MEETING

### February 2009:

- Risk Management Framework – Refer Item 12: Global Financial Crisis Risk Review – *Bruce Dobson*
- Audit Committee Implementation Plan – Refer Item 22 – *Bruce Dobson*

### Deferred to 2009/10 Year:

- Non Rate Revenue Review – *Bruce Dobson*

### November 2009:

- CAMS Post Implementation – *PricewaterhouseCoopers*

## 6. DISCLOSURES OF CONFLICTS OF INTEREST

There were no disclosures of conflicts of interest.

**7. GOVERNANCE RESPONSIBILITIES – AUDIT COMMITTEE MEMBERS****AUTHOR:** Manager Customer and Civic Services - Ray McQuillen**MANAGER:** General Manager Corporate Services - Bruce Dobson**BUDGET****IMPLICATIONS:** Nil**SUMMARY:**

A number of amendments were made to the Local Government Act 1989 late in 2008. The amendments relate to Councillor allowances, Councillor conduct, conflicts of interest and processes requirements to enhance transparency and accountability.

Extensive changes were made to the 'conflicts of interest' provisions and new principles of councillor conduct were prescribed. Various previous and new offences were also grouped together in the amended Act under the heading of 'misuse of position'. The new provisions make it an offence for a Councillor or member of a special committee to misuse their position to gain an advantage for themselves or another person, or to cause detriment to the Council or another person.

The 'misuse of position' and 'conflicts of interest' provisions now apply to members of an audit committee as if they were members of a special committee of a Council.

An outline of the key provisions for members of local government audit committees, together with an extract of the relevant sections of the Local Government Act 1989, has been provided to members of the City of Darebin Audit Committee.

It is proposed to make a presentation to the Audit Committee to highlight the new legislative provisions and facilitate discussion of the new governance responsibilities of members of the Committee.

**CONSULTATION:**

Local Government Victoria  
Maddocks Lawyers  
Chief Executive Officer

**COMMITTEE DECISION****MOVED:** *Cr Vince Fontana***SECONDED:** *Cr Gaetano Greco*

**THAT** this report and presentation on the new governance responsibilities of members of local government audit committees be received and noted.

**CARRIED**

[Ms Kelsall entered the meeting at 3.45pm.  
Messrs Agnoletto and Trajcevski entered the meeting at 3.55pm and introductions were again made.  
Mr McQuillen left the meeting at 4.20pm.]



**8. EXTERNAL AUDIT STRATEGY****AUTHOR:** General Manager Corporate Services – Bruce Dobson**MANAGER:** Chief Executive Officer – Michael Ulbrick**BUDGET  
IMPLICATIONS:** Nil**SUMMARY:**

Rob Wernli, Partner from DFK Collins, will distribute the External Audit Strategy at the Audit Committee meeting.

**CONSULTATION:**

Senior Council Officers  
PricewaterhouseCoopers

<b>COMMITTEE RECOMMENDATION</b>
---------------------------------

**MOVED:** *Mr Colin Parker*  
**SECONDED:** *Mr Albert Zago*

**THAT**

- (1) The External Audit Strategy presented by the External Auditors be noted.
- (2) The Audit Strategy for the year ended 30 June 2009 for the Darebin City Council and the Preston Public Cemetery be presented to the next Audit Committee in May 2009 for formal endorsement.

**CARRIED**

**9. INTERNAL AUDIT REPORT – CITY OF DAREBIN DRAFT STRATEGIC INTERNAL AUDIT PLAN 2009-2011 AND DRAFT INTERNAL AUDIT PLAN FOR THE PRESTON PUBLIC CEMETERY 2009****AUTHOR:** General Manager Corporate Services – Bruce Dobson**MANAGER:** Chief Executive Officer – Michael Ulbrick**BUDGET****IMPLICATIONS:** Within Budget**SUMMARY:**

In consultation with senior Council Officers and the Executive Management Team, PricewaterhouseCoopers (PwC) has prepared a Strategic Internal Audit Plan for the three years 2009 – 2011 for the City of Darebin and an Internal Audit Plan for the Preston Public Cemetery for the 2009 year. The Plans focus on potential key risk areas to Council.

The Audit Committee is asked to consider and endorse the draft Internal Audit Plans prior to their implementation.

**CONSULTATION:**

Executive Management Team  
Senior Council Officers

**COMMITTEE RECOMMENDATION**

**MOVED:** *Mr Colin Parker*  
**SECONDED:** *Mr Albert Zago*

**THAT** the attached reports titled “*City of Darebin Draft Strategic Audit Plan 2009-2011*” and “*Draft Internal Audit Plan for the Preston Public Cemetery: 2009*” prepared by the Internal Auditors be endorsed subject to changes made by the Audit Committee.

**CARRIED**

**10. INTERNAL AUDIT REPORT – FOLLOW UP REVIEW****AUTHOR:** General Manager Corporate Services – Bruce Dobson**MANAGER:** Chief Executive Officer – Michael Ulbrick**BUDGET****IMPLICATIONS:** Nil**SUMMARY:**

In accordance with the 2008 Internal Audit Plan, PricewaterhouseCoopers (PwC) undertook a follow up review of outstanding internal audit issues as at 30 November 2008. The review was undertaken by obtaining written comments from responsible Council Officers, interviewing and discussing the implementation of action plans with the responsible Council Officer and reviewing the evidence provided to assess whether the action taken addressed the issue. Of the 65 internal audit recommendations, 43 agreed action plans were implemented, 20 were in progress and 2 have not yet commenced.

**CONSULTATION:**

Senior Council Officers

<b>COMMITTEE RECOMMENDATION</b>
---------------------------------

**MOVED:** *Mr Albert Zago*  
**SECONDED:** *Cr Vince Fontana*

**THAT** the attached report titled “*Follow Up Review*” prepared by the Internal Auditors be received and noted.

**CARRIED**

**11. INTERNAL AUDIT ACTIVITY REPORT****AUTHOR:** General Manager Corporate Services – Bruce Dobson**MANAGER:** Chief Executive Officer – Michael Ulbrick**BUDGET****IMPLICATIONS:** Nil**SUMMARY:**

The Internal Auditors, PricewaterhouseCoopers (PwC) have prepared a report to update the Audit Committee on the status of the Council and the Preston Public Cemetery's Internal Audit Plans since the Committee's last meeting on 11 November 2008. The report also includes a section on "*Internal audit topics*".

**CONSULTATION:**

Senior Council Officers

<b>COMMITTEE RECOMMENDATION</b>
---------------------------------

**MOVED:** *Mr Colin Parker*  
**SECONDED:** *Cr Gaetano Greco*

**THAT** this report titled "*Internal Audit Activity Report*" prepared by the Internal Auditors be received and noted.

**CARRIED**

[Ms O'Mallon entered the meeting at 4.55pm.]

## 12. GLOBAL FINANCIAL CRISIS RISK REVIEW

**AUTHOR:** General Manager Corporate Services - Bruce Dobson

**MANAGER:** Chief Executive Officer - Michael Ulbrick

**BUDGET**

**IMPLICATIONS:** Potential for reduced income in certain areas, to be reviewed and considered within Council's budget and forecasting framework

**SUMMARY:**

Council has performed a review of key risks it faces arising from the global financial crisis. Risks have been assessed and prioritised using Council's risk management framework. Actions have been assigned to relevant officers and a reporting framework has been established to monitor the risks while the current financial climate prevails. PricewaterhouseCoopers ("PwC") have undertaken a review of the work performed by Council and facilitated a workshop with Council's Executive Management Team ("EMT") as part of this process.

This report contains details of the risks identified, includes the report from PwC on their observations and sets out actions moving forward.

**CONSULTATION:**

Executive Management Team  
PricewaterhouseCoopers

<b>COMMITTEE RECOMMENDATION</b>
---------------------------------

**MOVED:** *Mr Colin Parker*  
**SECONDED:** *Cr Vince Fontana*

**THAT** this report and attachments on the Global Financial Crisis Risk Review be received and noted.

**CARRIED**

[Mr Saker entered the meeting at 5.04pm.  
Ms O'Mallon left the meeting at 5.05pm.]

**13. FINANCIAL REPORT FOR THE CITY OF DAREBIN – 6 MONTHS ENDED 31 DECEMBER 2008**

**AUTHOR:** Group Coordinator Accounting, Payroll & Purchasing - Michael O’Riordan

**MANAGER:** General Manager Corporate Services – Bruce Dobson

**BUDGET**

**IMPLICATIONS:** Year to date operating surplus of \$37.8 million and capital works expenditure of \$11.4 million. Forecast full year operating surplus of \$4.2 million and capital works expenditure of \$30.0 million.

**SUMMARY:**

A comprehensive mid-year financial review has been undertaken for the six months ended 31 December 2008 to assess the financial performance of Council year-to-date (YTD) and the forecast financial position as at 30 June 2009. The outcome of the review indicates that Council has achieved a YTD operating surplus of \$37.8 million and capital works expenditure of \$11.4 million. The forecast actual results for the year ending 30 June 2009 are an operating surplus of \$4.2 million and capital works expenditure of \$30.0 million. All material variations have been explained in the report.

**CONSULTATION:**

Managers and Co-ordinators.

**COMMITTEE RECOMMENDATION**

**MOVED:** Cr Vince Fontana  
**SECONDED:** Mr Colin Parker

**THAT** the contents of the “Financial Report for the six months ended 31 December 2008” for the City of Darebin included as **Appendix A** to this report be received and the year-to-date and full-year forecast actual and budget operating and capital results be noted.

**CARRIED**

**14. FINANCIAL REPORT FOR THE PRESTON PUBLIC CEMETERY –  
6 MONTHS ENDED 31 DECEMBER 2008**

**AUTHOR:** Group Coordinator Accounting, Payroll & Purchasing - Michael O’Riordan

**MANAGER:** General Manager Corporate Services – Bruce Dobson

**BUDGET**

**IMPLICATIONS:** Year to date operating surplus of \$0.8 million and capital works expenditure of \$1.8 million. Forecast full year operating surplus of \$1.3 million and capital works expenditure of \$4.9 million.

**SUMMARY:**

A comprehensive mid-year financial review has been undertaken for the six months ended 31 December 2008 to assess the financial performance of the Preston Public Cemetery (the Cemetery) year-to-date (YTD) and the forecast financial position as at 30 June 2009. The outcome of the review indicates that the Cemetery has achieved a YTD operating surplus of \$0.8 million and capital works expenditure of \$1.8 million. The forecast actual results for the year ending 30 June 2009 are an operating surplus of \$1.3 million and capital works expenditure of \$4.9 million. All material variations have been explained in the report.

**CONSULTATION:**

Managers and Co-ordinators.

**COMMITTEE RECOMMENDATION**

**MOVED:** Mr Colin Parker  
**SECONDED:** Mr Albert Zago

**THAT** the contents of the “Financial Report for the six months ended 31 December 2008” for the Preston Public Cemetery included as **Appendix A** to this report be received and the year-to-date and full-year forecast actual and budget operating and capital results be noted.

**CARRIED**

**15. INVESTMENT PERFORMANCE REPORT – 6 MONTHS ENDED  
31 DECEMBER 2008 FOR THE CITY OF DAREBIN**

**AUTHOR:** Group Coordinator Accounting, Payroll & Purchasing - Michael O’Riordan

**MANAGER:** General Manager Corporate Services – Bruce Dobson

**BUDGET**

**IMPLICATIONS:** Investments of \$21.8 million as at 31 December 2008 and interest earned on invested funds of \$618,000 for the six months ended December 2008.

**SUMMARY:**

A comprehensive review of Council’s investment portfolio has been undertaken for the six months ended 31 December 2008. The Council’s investment portfolio has earned \$618,000 in interest on investments with term deposits and cash investments earning an annualised rate of 7.11% (2008: 6.40%). As at 31 December 2008, the Council’s investment portfolio was valued at \$21.8 million (Dec 2007: \$20.6 million).

**CONSULTATION:**

Grove Research & Advisory.

**COMMITTEE RECOMMENDATION**

**MOVED:** Mr Albert Zago  
**SECONDED:** Mr Colin Parker

**THAT** the contents of this report titled “*Investment Performance Report – 6 months ended 31 December 2008 for the City of Darebin*” be received and noted.

**CARRIED**



**16. INVESTMENT PERFORMANCE REPORT – 6 MONTHS ENDED  
31 DECEMBER 2008 FOR THE PRESTON PUBLIC CEMETERY**

**AUTHOR:** Group Coordinator Accounting, Payroll & Purchasing - Michael O’Riordan

**MANAGER:** General Manager Corporate Services – Bruce Dobson

**BUDGET**

**IMPLICATIONS:** Investments of \$10.4 million as at 31 December 2008 and interest earned on invested funds of \$400,000 for the six months ended December 2008.

**SUMMARY:**

A comprehensive review of the Preston Public Cemetery’s investment portfolio has been undertaken for the six months ended 31 December 2008. The Cemetery’s investment portfolio has earned \$400,000 in interest on investments with term deposits and cash investments earning an annualised rate of 6.91%. As at 31 December 2008, the Preston Public Cemetery’s investment portfolio was valued at \$10.4 million (2007: \$12.1 million).

**CONSULTATION:**

Grove Research & Advisory.

**COMMITTEE RECOMMENDATION**

**MOVED:** Mr Albert Zago  
**SECONDED:** Mr Colin Parker

**THAT** the contents of this report titled “*Investment Performance Report – 6 months ended 31 December 2008 for the Preston Public Cemetery*” be received and noted.

**CARRIED**

[Mr Breen entered the meeting at 5.30pm.]

**17. FOLLOW UP ON OUTSTANDING AUDIT ACTIONS****AUTHOR:** General Manager Corporate Services – Bruce Dobson**MANAGER:** Chief Executive Officer – Michael Ulbrick**BUDGET****IMPLICATIONS:** Nil**SUMMARY:**

Management has prepared a report to update the Committee on progress made to date by Council Officers on the implementation of recommendations made in previous internal and external audit reports since the last Committee meeting on 11 November 2008. The report will be reconciled with the Internal Auditors Follow-up Review once the Audit Committee has received and noted that report.

**CONSULTATION:**

Senior Council Officers

**COMMITTEE RECOMMENDATION**

**MOVED:** *Mr Colin Parker*  
**SECONDED:** *Cr Vince Fontana*

**THAT** the attached report titled “*Follow up on Outstanding Audit Actions*” be received and noted.

**CARRIED**

[Mr Saker left the meeting at 5.35pm.]

**18. BACKGROUND FINANCIAL INFORMATION PAPER****AUTHOR:** General Manager Corporate Services - Bruce Dobson**MANAGER:** Chief Executive Officer - Michael Ulbrick**BUDGET  
IMPLICATIONS:** Nil**SUMMARY:**

The attached paper was prepared in January 2009 to provide information on Council's financial processes and financial position to the Councillors elected to the Darebin City Council in November 2008. It is attached here for the information of the Audit Committee.

**CONSULTATION:**

Group Coordinator Accounting, Payroll and Procurement  
Executive Management Team  
Councillors

<b>COMMITTEE RECOMMENDATION</b>
---------------------------------

**MOVED:** *Mr Colin Parker*  
**SECONDED:** *Cr Gaetano Greco*

**THAT** this report be received and noted.

**CARRIED**

**19. AUDITOR-GENERAL'S REPORT – LOCAL GOVERNMENT:  
RESULTS OF THE 2007-08 AUDITS****AUTHOR:** General Manager Corporate Services - Bruce Dobson**MANAGER:** Chief Executive Officer - Michael Ulbrick**BUDGET  
IMPLICATIONS:** Nil**SUMMARY:**

The Auditor-General released his report on the 2007/08 audit results for local government in November 2008. This Audit Committee report provides an overview of the recommendations made by the Auditor-General, management's response to those recommendations, and details of Darebin City Council's comparative performance against the Auditor-General's financial sustainability measures.

**CONSULTATION:**

Victorian Auditor-General's Office  
Executive Management Team

**COMMITTEE RECOMMENDATION**

**MOVED:** *Mr Colin Parker*  
**SECONDED:** *Mr Albert Zago*

**THAT** this report titled "*Auditor-General's Report – Local Government: Results of the 2007-08 Audits*" be received and noted.

**CARRIED**

**20. FINANCIAL REPORTING DEVELOPMENTS**

**AUTHOR:** Group Coordinator Accounting, Payroll and Purchasing -  
Michael O'Riordan

**MANAGER:** General Manager Corporate Services - Bruce Dobson

**BUDGET  
IMPLICATIONS:** Nil

**SUMMARY:**

This report provides a brief overview of key financial reporting developments which Council will need to consider for its financial reporting for the year ending 30 June 2009.

**CONSULTATION:**

Rob Wernli – DFK Collins

<b>COMMITTEE RECOMMENDATION</b>
---------------------------------

**MOVED:** Mr Albert Zago  
**SECONDED:** Cr Vince Fontana

**THAT** this report on financial reporting developments be received and noted.

**CARRIED**

## 21. PRESTON CIVIC PRECINCT DEVELOPMENT PROJECT

**AUTHOR:** General Manager City Development - Kevin Breen

**MANAGER:** Chief Executive Officer – Michael Ulbrick

### **BUDGET**

**IMPLICATIONS:** **The preparation of the Business Case study has been completed within the allocated budget. A future development of the Preston Civic Precinct will require private and public financing.**

### **SUMMARY:**

The Preston Civic Precinct is a pivotal component of the Preston Central Principal Activity Centre with a multitude of activities and facilities, heritage buildings and significant landscape elements. It is located on the east side of High Street, bounded by Gower Street, Kelvin Grove and Roseberry Street. The precinct has a total land area of some 20,000 square metres and contains a broad range of Council, civic, community and justice related activities.

A Masterplan was prepared and adopted by Council on 2 April 2007 to make the most efficient use of land in the Preston Civic Precinct. It aimed to guide the future development of a complementary mix of community, retail, office, residential and car parking uses within the precinct.

In July 2008 a Business Case study was completed to determine the merit of the Preston Civic Precinct development; its scope and available funding opportunities for implementation. Several development scenarios were assessed and a detailed financial model prepared. The Business Case study recommended a preferred development framework for the Preston Civic Precinct. A plan of the preferred development scenario, Option 2, is included in [Appendix A](#).

Such a transformation in the precinct will deliver significant social and economic benefits to the community at large to the total value of \$1.1 billion, much of it within the City of Darebin. As such, the scale of the development is appropriate for the economic benefit it delivers, including the proposed change in heights limits to increase the amount of housing on the site.

The Business Case study estimated the development cost for the preferred Option 2 to be in excess of \$140 million. This level of investment will require a mix of private and public funding, with the majority of funds expected to come from a private developer. It is expected that a competitive tendering process to procure a development partner would result in a more commercially viable development, in favour of the public component. The public funding components will directly result in the following key facilities:

- The Intercultural Centre & Community Hub (approximately 3,200m<sup>2</sup>).
- Acquisition of the Australia Post site (1,000m<sup>2</sup>) and the Preston Court House site (997m<sup>2</sup>).
- Creation of a pedestrian link, plaza & public realm improvements (at least 2,500m<sup>2</sup>).
- Additional Council office space (approximately 2,500m<sup>2</sup>) and retrofitting of existing offices (4,500m<sup>2</sup>).
- Provision of up to 200 car parks for Council and community services.

Council is considered well placed to afford the development of the Preston Civic Precinct, although the scale of investment can be tailored depending on the level of commitment to various components. Significant due diligence has been conducted on the development of the Preston Civic Precinct.

In November 2008, a Request for Qualification process commenced which is a preliminary stage in a three stage procurement process. Although development works are indicatively planned for the 2010 – 2015 period, it is important to note that this Request for Qualification stage does not commit Council to a development contract. Its aim is to identify interested developers before returning to Council in early 2009 to seek endorsement to proceed to an Expression of Interest process and then, if budget commitments at both Council and the State levels are made, proceed to the Request for Proposal stage for shortlisted developers.

**CONSULTATION:**

Department of Planning and Community Development (DPCD)  
Department of Justice  
Spectrum Migrant Resource Centre  
Preston Neighbourhood House  
Darebin Community Legal Centre  
Darebin Ethnic Communities Council  
Australia Post  
Housing Associations  
Representatives of property development industry  
Biruu, commercial property development advisers  
Maddocks, Council's legal advisor  
Internal Council officers

**COMMITTEE RECOMMENDATION**

**MOVED:** *Mr Colin Parker*  
**SECONDED:** *Cr Vince Fontana*

**THAT** the Audit Committee receive and note the report on the Preston Civic Precinct project.

**CARRIED**

[Mr Breen left the meeting at 5.55pm.  
Mr Saker entered the meeting at 5.55pm.]

**22. ANNUAL SELF ASSESSMENT IMPLEMENTATION PLAN****AUTHOR:** General Manager Corporate Services – Bruce Dobson**MANAGER:** Chief Executive Officer – Michael Ulbrick**BUDGET  
IMPLICATIONS:****SUMMARY:**

At its meeting on 11 November 2008, the Audit Committee made a number of recommendations on improving its performance. The Committee asked management to prepare an implementation plan for consideration at its February 2009 meeting.

**CONSULTATION:**

Audit Committee  
Senior Council Officers

<b>COMMITTEE RECOMMENDATION</b>
---------------------------------

**MOVED:** *Mr Albert Zago*  
**SECONDED:** *Cr Vince Fontana*

**THAT** this report on the status of recommended actions resulting from the Annual Self-Assessment be received and noted

**CARRIED**



**23. METROPOLITAN CEMETERY CHANGE ADVISORY  
COMMITTEE UPDATE****AUTHOR:** General Manager City Services – Jeff Saker**MANAGER:** Chief Executive Officer – Michael Ulbrick**BUDGET****IMPLICATIONS:** Within 2008/09 Budget Allocation

On 3 July 2008, the Minister for Health announced that two new major metropolitan trusts will be created in Victoria under reforms to the Victorian cemeteries sector. Preston will form part of the trust covering the north and eastern metropolitan areas.

As part of this restructure, the Minister has established a Department of Human Services project board to implement sector reforms and will work with sector advisory committees to ensure the proposed changes are implemented effectively. The Metropolitan Cemetery Change Advisory Committee has been established to provide advice and information to the Minister through the Department's project board to enable the efficient and effective implementation of the previously announced structural changes to the specified cemetery trusts within the specified timeframes. The Minister has set the 1 January 2010 as the date for this reform to be implemented by.

On 22 December 2008, the Trust resolved to nominate Cr Diana Asmar, Chairperson of the Trust and Jeff Saker, General Manager City Services to represent the Trust on this committee.

This report provides an update of the progress of the work undertaken by this Committee.

**CONSULTATION**

Members of the Preston Cemetery Trust  
Chief Executive Officer  
Manager Customer & Civic Services – City of Darebin  
Department of Human Services

**COMMITTEE RECOMMENDATION**

**MOVED:** Mr Colin Parker  
**SECONDED:** Cr Vince Fontana

**THAT** the Audit Committee receive and note this report and notes that a further update will be presented to the Committee at its May 2009 meeting.

**CARRIED**

**24. CALENDAR OF EVENTS**

**AUTHOR:** General Manager Corporate Services – Bruce Dobson

**MANAGER:** Chief Executive Officer – Michael Ulbrick

**BUDGET**

**IMPLICATIONS:** Nil

**SUMMARY:**

The Audit Committee has requested an update on the high level reports expected to be tabled at future meetings. A table has been prepared which shows the reports expected to be tabled for the following four meetings to be held in May, August and November 2009 and February 2010.

**CONSULTATION:**

Bruce Dobson – General Manager Corporate Services  
PricewaterhouseCoopers (PwC) – Internal Auditors

<b>COMMITTEE RECOMMENDATION</b>
---------------------------------

**MOVED:** *Cr Vince Fontana*  
**SECONDED:** *Mr Albert Zago*

**THAT** report outlining the Calendar of Events for the next four meetings in May, August and November 2009 and February 2010 be received and noted.

**CARRIED**

**25. CONSIDERATION OF CONFIDENTIAL ITEMS**

Pursuant to section 77(2) of the Local Government Act 1989, the following report has been designated by the Chief Executive Officer to be confidential information on the grounds specified in the following table.

<b>No.</b>	<b>Item</b>	<b>Grounds for confidentiality</b>
25.1	Preston Public Cemetery Risk Register Mid Year Review	Matter affecting the security of Council Property

The Audit Committee is requested to recommend that the Council endorses the designation of the Chief Executive Officer that the report contains confidential information.

## CONFIDENTIAL

**25.1 PRESTON PUBLIC CEMETERY RISK REGISTER MID YEAR REVIEW****AUTHOR:** Acting Manager Preston Public Cemetery – Robert Watson**MANAGER:** General Manager City Services - Jeff Saker**BUDGET  
IMPLICATIONS:** Within 2008/2009 Budget Allocation**SUMMARY:**

Risk Management is the process of identifying the prevention, response and recovery strategies an organisation employs for managing and mitigating risk.

On 25 February 2008, the Preston Cemetery Trust (the Trust) adopted the *Preston Public Cemetery Risk Management Framework, Risk Register and Risk Management Policy*. The Trust also resolved to receive a biannual report on the status of the Risk Register.

This report provides the Audit Committee with the results of the review of the register undertaken in November 2008 and an overview of the Risk Profile for members of the Audit Committee to familiarise themselves with the key risks facing the operation of the Preston Public Cemetery. These results were adopted by the Trust at its December 2008 meeting.

**CONSULTATION:**

Preston Cemetery Trust  
Chief Executive Officer  
Cemetery Staff  
General Manager Corporate Services  
Risk Services  
Chief Financial Officer  
City of Darebin Audit Committee

**COMMITTEE RECOMMENDATION**

**MOVED:** Mr Colin Parker  
**SECONDED:** Cr Vince Fontana

**THAT:**

- (1) The Council resolve, pursuant to section 77 (2) (b) of the Local Government Act 1989, that the information contained in this report is confidential information on the grounds that is a matter affecting the security of Council property.
- (2) The following Committee recommendation:

*“THAT the Audit Committee*

1. *Notes and receives the biannual review of the Preston Cemetery Risk Register undertaken in November 2008 as*

*adopted by the Preston Cemetery Trust in December 2008  
as attached to this report as Attachment A; and*

2. *Receives the next biannual report following the February 2009 review."*

be made available to the public but the report remain confidential.

**CARRIED**

## **26. OTHER BUSINESS**

Nil.

## **27. NEXT MEETING/S**

### **Monday, 25 May 2009**

Mr Parker registered his apology for the meeting. He advised that he would review the Agenda and raise any issues through the Audit Committee Chair.

### **Tuesday, 25 August 2009**

Mr Zago registered his apology for the meeting. He advised that he would review the Agenda and contribute as necessary.

### **Monday, 23 November 2009**

No apologies were noted.

## **28. IN CAMERA DISCUSSION**

At 6.00pm Messrs Ulbrick, Dobson, Saker, O'Riordan and Ms Schiavello left the meeting. The meeting continued in camera with Ms Kelsall, Messrs Parker and Zago, Councillors Fontana and Greco, and Messrs Wernli, Warren, Agnoletto and Trajcevski in attendance.

**THE MEETING CLOSED AT 6.00PM**