



MINUTES

Audit Committee Meeting

27 February 2019

Council Chambers,
Cavell Street, Calingiri

Commencing – 9.01 am

DISCLAIMER:

The recommendations contained in this document are officers' recommendations only and should not be acted upon.

The decisions of the Committee are not considered final until the minutes of the Committee meeting are adopted by Council at a subsequent meeting or advised in writing by the CEO or authorised person.

Members of the public should also note that they act at their own risk if they enact any resolution prior to receiving official written notification.

Please note that meetings may be recorded for minute taking purposes.

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MINUTES

Shire of Victoria Plains Audit Committee Meeting

Held in the Council Chambers, Cavell Street, Calingiri
on Wednesday, 27 February 2019 commencing at 9.01am.

1. DECLARATION OF OPENING

1.1 Opening

The Presiding Person, Cr Pauline Bantock, Declared the meeting open at 9.01 am.

1.2 Announcements by presiding member

None

2. RECORD OF ATTENDANCE

Members present	Cr P Bantock, Deputy President Cr N Clarke Ms L Witham Mr G McGill
Staff attending	Ms GM Teede, Chief Executive Office Ms Ina Edwardson, Finance & Administration Manager Mr N Mitchell, Governance
Apologies	Cr S Penn
Approved leave of absence	None
Visitors	None
Members of the public	None

3. DISCLOSURES OF INTEREST

	Type	Item	Person / Details
3.1	Financial	_____	None
3.2	Proximity		None
3.3	Impartiality		None

4. PUBLIC QUESTION TIME

Not required – Committee has no delegated authority

5. CONFIRMATION OF MINUTES

VOTING REQUIREMENTS

Absolute Majority Required: No

A1902-01 Officer Recommendation / Committee Decision

Moved Ms Witham

Seconded Cr Bantock

That the Minutes of the Audit Committee Meeting held 21 March 2018 as circulated, be confirmed as a true and correct record.

CARRIED For 4 / Against 0

Business arising from Minutes

Mr McGill

1. Committees and their operation

Discussion regarding the establishment and operation of committees in accordance with the Local Government Act and Council's resolved Terms of Reference.

6. REPORTS REQUIRING DECISION

6.1 Compliance Audit Return 2018

File reference			
Report date	20 February 2019		
Applicant/proponent	Shire of Victoria Plains		
Officer disclosure of interest	Nil		
Previous meeting references	Nil		
Prepared by	Niel Mitchell, Governance Officer		
Authorised by	Glenda Teede, CEO		
Attachments			
Attachment 1	Page	3	Draft Compliance Audit Return 2018

PURPOSE

The completed Annual Compliance Return for 2018 is presented to the Committee for consideration prior to presentation to Council.

BACKGROUND

It is a requirement of all local governments to complete the Annual Compliance Audit Return as part of its regulatory obligations to the Department of Local Government, Sporting and Cultural Industries.

COMMENT

The Compliance Audit Return has been completed for the 2018 year and is submitted for review. The Chief Executive Officer and Governance Officer reviewed the practices and procedures of the administration, and as per the report attached, did not identify any noncompliance issues for report.

As per the Local Government (Audit) Regulations, this item is presented to the Audit Committee to make appropriate recommendations to Council.

CONSULTATION

Glenda Teede, CEO
Bob Waddell, Financial Consultant
Bob Edwards, Works and Services Manager

STATUTORY CONTEXT

Local Government (Audit) Regulations 1996 –

- *r.14 – Compliance audit return to be reviewed by Audit Committee and report to Council*
- *r.15 – once considered by Council, the return is to be signed by President and CEO and lodged with the Department by 31 March*

CORPORATE CONTEXT

None

STRATEGIC IMPLICATIONS

Strategic Community Plan adopted 28 March 2018 –

5.	Civic leadership – to better allocate scarce resources and effectively interact with the community
5.1	Measures to improve relationship and communication between Council and community
5.4	Measures to improve organisational efficiency

FINANCIAL IMPLICATIONS

None

VOTING REQUIREMENTS

Absolute Majority Required: No

A1902-02 Officer Recommendation / Committee Decision
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Moved Mr McGill

Seconded Ms Witham

That the Audit Committee recommends to Council –

- a) endorsement of the Annual Compliance Audit Return for the 2018 calendar year, as presented, and
- b) approval for the Shire President and the Chief Executive Officer to sign the Compliance Audit Return 2018.

CARRIED For 4 / Against 0

Commonly-used abbreviations	
CEO	Chief Executive Officer

6.2 Audit Committee – Functions and Meetings

File reference				
Report date				20 February 2019
Applicant/proponent				Shire of Victoria Plains
Officer disclosure of interest				Nil
Previous meeting references				Nil
Prepared by				Niel Mitchell, Governance Officer
Authorised by				Glenda Teede, CEO
Attachments				
Attachment 1	Page	14	Local Government Act section 7.1A – Audit Committee	
Attachment 2		16	Audit Regulations r.14-17 – Audit Committee duties	
Attachment 3		20	Moore Stephens – Guidance Notes	
Attachment 4		26	Audit Committee Terms of Reference	

PURPOSE

To consider the role, responsibilities and future actions of the Committee.

BACKGROUND

The Committee was established by Council in October 2017, and the Terms of Reference resolved in May 2018.

COMMENT

The Local Government Act and Audit Regulations place a number of statutory obligations on the Committee, and tasks may be allocated to the Committee by Council as well. The Committee may also initiate reviews in accordance with the Act, Regulations or TOR.

For a range of reasons, the Committee hasn't met regularly, and it is suggested that a timetable be set.

Audit Regulation r.16 outlines the functions of an audit committee, and the practicality of considering these matters will determine the detail of the committee's activity. Some of the functions are conditional upon external factors being required, and some can be incorporated into the functions of reviewing the CEO's report required by Audit Reg. r.17(1).

1. Audit Regulation 14 (3A0 – Compliance Audit Return

Required annually on a calendar year basis, and must be considered by the Committee prior to endorsement by Council, and lodgement with DLGSC by 31 March. Some of the questions relate to the previous year's audit, and if that is running late (as for this year) the CAR is unable to be fully completed.

Target meeting date – February annually

2. Audit Regulation 17(1) – CEO’s Report

The required report covers 3 areas, each of which is to be reviewed at least once every 3 years.

Working through the three aspect of this report should enable the Committee to meet the functions stipulated by Regulation r.16 and r.17(1) –

i) Risk Management

- Relates to organisational risk, not to OSH, and covers a wide range of activities from emergency preparedness, financial exposures, legislative non-compliance, business continuity, environmental risks (eg: pollution etc) infrastructure risks (eg: sewerage scheme failures) etc.
- The last risk assessment was undertaken in early 2018, and has been diarised for senior staff to review again in March 2019.
- It is suggested that this assessment be carried out annually, both to track progress over the previous 12 months, and to determine priorities for the coming year, enabling any specific financial impacts to be considered in the coming Budget.
- Documentation based on the Local Government Insurance Services template can then be submitted to the Committee for review.

Target meeting dates – February (staff), May/June (Committee review)

ii) Internal control

iii) Legislative compliance

- These two tasks are often combined and contracted out to gain an independent opinion, but it is not a requirement
- The last review was undertaken by Moore Stephens who submitted their final report to Council in December 2016
- Next review is therefore due to be undertaken prior to December 2019
- Since December 2016, there has been a focus on the non-statutory Better Practice Review from DLGSC, and many comments overlap with the Moore Stephens Review.
- Following the triennial review, tasks to be identified, status report prepared and maintained, and submitted to the Committee for review

Target meeting dates – August and November

Possible meeting schedule –

Meeting due	Primary purpose / focus	Department
February	Compliance Audit Return TOR – Role & Scope item 1	CEO / Governance
May	Audit Reg.17 – Risk Management - Annual review by staff then Committee TOR – Role & Scope item 2	CEO / Governance
August	Audit Reg.17 – Internal controls Audit Reg.17 – Legislative compliance	CEO / Governance / Finance
November	- On-going review of tasks identified from previous triennial review	

The Committee meets as they may resolve or as directed by Council. The suggested purpose / focus does not prevent the Committee from considering other matters as deemed necessary.

With local government elections being held in October 2018, the Local Government Act stipulates that all membership of Council committees are to conclude, and are subject to reappointment. It is appropriate that the Committee's TOR and composition etc be considered at some time prior to that time, and if public membership is to continue on the Committee, nominations be invited in August, closing in September, for appointment in October, when Council is to resolve the membership of all committees. Council may add to membership or terminate a membership at any time, but must do so at least once every 2 years following local government elections.

Summary

The Committee is requested to –

- a) review and adopt/amend the proposed meeting schedule and meeting purposes;
(this meeting)
- b) review and recommend Committee Terms of Reference for Council consideration prior to making appointments to the Committee in October 2019.
(this or future meeting)

CONSULTATION

Glenda Teede, CEO

STATUTORY CONTEXT

Local Government Act 1995 –

- *Part 6 – Financial management*
What this Part is about

This Part deals with the financial management of local governments, including —

(a) annual budgeting; and

(b) financial accounting and reporting of the funds of local governments; and

*(c) the ways (including rates and service charges, fees, charges and borrowings)
in which the activities of local governments are financed.*

- s.7.1A – Council required to establish an Audit Committee

Local Government (Audit) Regulations 1996 –

- r.14 – Compliance audit return to be reviewed by Audit Committee and report to Council
- r.16 – audit committee functions
- r.17 – audit committee to review CEO's report in relation to –
 - a) *risk management;*
 - b) *internal controls; and*
 - c) *legislative compliance*

CORPORATE CONTEXT

None

STRATEGIC IMPLICATIONS

Strategic Community Plan adopted 28 March 2018 –

5.	Civic leadership – to better allocate scarce resources and effectively interact with the community
5.2	Improve elected member performance
5.4	Measures to improve organisational efficiency

FINANCIAL IMPLICATIONS

None

VOTING REQUIREMENTS

Absolute Majority Required: No

Officer Recommendation

That the Audit Committee meetings schedule be –

Meeting due	Primary purpose	Department
February	Compliance Audit Return TOR – Role & Scope item 1	CEO / Governance
May	Audit Reg.17 – Risk Management - Annual review TOR – Role & Scope item 2	CEO / Governance
August	Audit Reg 17 – Internal controls Audit Reg.17 – Legislative compliance	CEO / Governance / Finance
November	On-going review of tasks identified from previous triennial review	

A1902-03 Committee Decision

Moved Cr Bantock

Seconded Cr Clarke

That the Audit Committee meetings schedule be –

Meeting due	Primary purpose	Department
February	1. Compliance Audit Return 2. Audit Report and Management Letter	CEO / Governance
May	1. Audit Reg.17 – Risk Management - Annual review 2. TOR – Role & Scope item 2	CEO / Governance
August	1. Audit Reg 17 – Internal controls 2. Audit Reg.17 – Legislative compliance	CEO / Governance / Finance
November	- On-going review of tasks identified from previous triennial review 3. TOR Role and Scope item 1	

CARRIED For 4 / Against 0

Commonly-used abbreviations

CAR	Compliance Audit Return
CEO	Chief Executive Officer
DLGSC	Department of Local Government, Sporting and Cultural Industries
LGIS	Local Government Insurance Services
TOR	Terms of Reference

7. MEMBER MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

None

8. NEW BUSINESS OF AN URGENT NATURE REQUIRING DECISION

1. Mr McGill – Queried public attendance at Audit Committee meetings

It was advised that attendance by visitors or observers is permitted, but as the Committee has no delegated authority from Council, Committee meetings do not have to be advertised, nor is public question time required.

2. Mr McGill – Calingiri Football Club

It was noted that the Football Club some years ago submitted an annual financial report to Council, and requested that the most recent be made available to the Committee and Council.

CEO advised that this would be followed up.

9. MEETING CLOSED TO PUBLIC

Matters for which the meeting may be closed in accordance with the Local Government Act 1995 s.5.23(2).

None

Public reading of resolutions made during a closed meeting.

10. CLOSURE OF MEETING

There being no further business, the presiding member declared the meeting closed at 10.29 am.

CERTIFICATION

These minutes were confirmed at the Audit Committee Meeting held on 26 June 2019

Signed


(Presiding member at the meeting which confirmed the minutes)

Date 26.6.19

Committee –

- Minutes are unconfirmed until adopted at the following meeting of Committee
- Committee decisions may be authorised by Council, or by CEO authority