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Yorke Peninsula Council

Minutes of the Audit Committee Meeting of the Yorke Peninsula Council

held on Tuesday 11th March 2014,
in the Council Chambers
57 Main Street Minlaton commencing at 3.00pm
(Subject to confirmation)

ITEM 1 WELCOME

Mr Peter Brass welcomed everyone to the meeting and declared the meeting open.

PRESENT

Independent Members Peter Brass and David Hurley, Councillors Brenda Bowman (Deputy Mayor), Bob Nicholls and John Rich

IN ATTENDANCE

Mayor Ray Agnew	
Andrew Cameron	Chief Executive Officer
David Harding	Director Corporate and Community Services
Trevor Graham	Director Assets and Infrastructure Services
Karen Schulz	Manager Financial Services
Amanda Parkes	Business Improvement Officer
Ben Cowley	Manager Information Systems
Michael McCauley	Asset Manager
Chloe Brown	Financial Accountant
Jackie Reddaway	Minute Secretary

LEAVE OF ABSENCE

Nil

APOLOGIES

Brianna Wood Risk Administrator

MINUTES OF THE PREVIOUS MEETING

Cr Nicholls moved Cr Bowman seconded

That the minutes of the Audit Committee meeting held on Monday 2nd December 2013 as circulated, be confirmed as a true record.

CARRIED 001/2014 (11/03/2014)

CONFLICT OF INTEREST

The Chairman reminded all members of their requirement to disclose any conflict of interest and provide full and accurate details of the relevant interest to the Audit Committee prior to consideration of that item on the Agenda.

ITEM 2 REPORTS

DIRECTOR CORPORATE AND COMMUNITY SERVICES

1. AUDIT COMMITTEE 2014 WORK PLAN

Mr Harding spoke to this report.

Cr Rich advised that he would be overseas (leave of absence) from 28th March 2014 - 10th May 2014 and requested that the next meeting set for 29th April 2014 be held over until his return.

Following discussion on the proposed Work Plan and dates, the Chairman advised that the meeting date would be changed to Tuesday 13th May 2014.

- December meeting date be corrected to Tuesday 2nd December.
- Request that in future day and dates be included in documentation to prevent confusion.

Cr Rich moved Cr Nicholls seconded

That the Audit Committee endorse the 2014 Audit Committee Work Plan.

CARRIED 002/2014 (11/03/2014)

MANAGER FINANCIAL SERVICES

2. INTERIM EXTERNAL AUDIT DATE

Mrs Schulz provided a verbal update on External Audit timing for 2014.

- Interim Audit to be conducted on 29th and 30th May 2014.
- Balance Date Audit is set for mid September.
- Request that the Notification Letter from the Interim Audit be included in the Audit Work Plan to keep members updated.

Cr Nicholls moved Mr Hurley seconded

That the verbal report from Mrs Schulz be noted.

CARRIED 003/2014 (11/03/2014)

BUSINESS IMPROVEMENT OFFICER

3. INTERNAL AUDIT ACTIVITY REPORT

Ms Parkes spoke to this report and provided an update on internal audit activities.

- Fuel Audit report to be presented to next Audit Committee meeting.
- Procurement Policy and establishment of Procurement Project Team to audit procurement processes and review existing documentation.

Observation - Mr Hurley - in relation to the Audit Committee requirement to review policies

Mr Cameron advised Audit Committee Members of the conduct of the Organisation wide Policy Review currently being undertaken and advised that critical policies requiring Audit Committee review, prior to endorsement by Council, will be identified by Mr Harding and Mrs Reddaway and a summary report will be provided by Mr Harding to the next Audit Committee Meeting.

Observation - Mr Brass – that the draft procurement policy be reviewed by the Audit Committee as soon as practicable.

Cr Nicholls moved Cr Rich seconded

That the Internal Audit Activity Report, Internal Audit Report (Procurement Part 1), and Implementation of Agreed Actions reports be received.

CARRIED 004/20104 (11/03/2014)

4. INTERNAL CONTROLS PROJECT

Ms Parkes provided a verbal update on the project.

- Meeting with Deloitte recently in relation to Control Track Programme Implementation.
- Will provide a presentation to the next Audit Committee Meeting on the programme.

Cr Bowman moved Cr Nicholls seconded

That the verbal report from Ms Parkes be noted.

CARRIED 005/2014 (11/03/2014)

MANAGER FINANCIAL SERVICES

5. EXTERNAL AUDITORS FINAL MANAGEMENT LETTER

Mrs Schulz spoke to this report.

- Independent Project Manager has been appointed in relation to Infrastructure Transport Assets.
- Discussion on AASB13 Fair Value advice from Auditor is to work with Land and Building Assets, and must be undertaken by a licensed valuer.
- No information from the LGA in relation to AASB13.
- Interpreting AASB13 accounting standard is causing some difficulties.
- Also reviewing insurance values to identify methods for reduction in costs for buildings for demolition as opposed to reinstatement.
- Mr Harding will ensure the Auditor includes in the Interim Audit letter, his advice to work with Land and Building Assets.

Cr Bowman moved Mr Hurley seconded

That the management letter be received.

CARRIED 006/2014 (11/03/2014)

BUSINESS IMPROVEMENT OFFICER

6. RISK MANAGEMENT UPDATE

Ms Parkes provided a verbal update based on information provided by the Risk Administrator Mrs Wood.

- Risk Management Policy endorsed by Audit Committee late last year has been endorsed by Council.

- Training to be undertaken by Audit Committee Members in relation to Risk Management with the Governance Officer – Mary Herrmann.
- Decision to commence next meeting on 13th May 2014 at 2.00pm to include training.

Cr Nicholls moved Mr Hurley seconded

That the verbal update from Ms Parkes be noted.

CARRIED 007/2014 (11/03/2014)

DIRECTOR CORPORATE AND COMMUNITY SERVICES

7. 2013/2014 – 2022/2023 LONG TERM FINANCIAL PLAN

Mr Harding spoke to this report.

- LTFP should be endorsed by Council 12th March 2014 meeting, no submissions received during the public consultation process.
- There may need to be some changes to the LTFP as a result of the State Government Election on 15th March 2014.
- Mr Hurley asked if there was any expectation of impacts on Council as a result of proposed large developments in the region?
- Changes to LTFP as a result of an updated Transport Infrastructure Asset Management Plan (TIAMP) currently being prepared.
- Request that Mr Harding include a paragraph that valuations may change as a result of the TIAMP. (next update)

Mr Hurley moved Cr Nicholls seconded

That the Audit Committee recommends the reviewed Long Term Financial Plan to Council for formal adoption at Council's March 2014 meeting.

CARRIED 008/2014 (11/03/2014)

8. ANNUAL BUSINESS PLAN AND BUDGET PREPARATION PLAN 2014/2015

Cr Bowman moved Cr Rich seconded

That the Annual Business Plan and Budget Preparation Plan 2014/2015, as endorsed by Council at its meeting held on 12th February 2014, be received.

CARRIED 009/2014 (11/03/2014)

9. 2014/2015 CAPITAL BUDGET UPDATE

Mr Harding provided a verbal report in relation to the schedule included within the Agenda papers.

- An additional \$155,000 for inclusion of work on the Cutline Road has been added to the draft capital budget.
- Following the Elected Members district tour culling of projects has commenced to accommodate \$3.5 million overspend.
- Road Hierarchy report will be important to support good decision making.
- Transport Infrastructure is the main portion of the Capital Budget.

Mr Harding responded to questions from Members in relation to some items within the draft budget.

Cr Rich moved Mr Hurley seconded

That the Capital Budget Schedules be noted.

CARRIED 010/2014 (11/03/2014)

MANAGER FINANCIAL SERVICES

10. SECOND QUARTER 13/14 BUDGET REVIEW

Mrs Schulz spoke to this report.

Cr Bowman moved Mr Hurley seconded

That the report as endorsed by Council at its meeting on 22nd January 2014 be received.

CARRIED 011/2014 (11/03/2014)

ASSET MANAGER

11. ASSET MANAGEMENT UPDATE

Mr McCauley spoke to this report.

- Asset Management Team will be making a recommendation to the Corporate Management Team following their meeting later in the week on the selection of Asset Management Software.
- Engaged ARRB to undertake Transport Infrastructure Condition Assessment Survey.
- Currently reviewing the Transport IAMP.
- Discussion in relation to video methods used by ARRB to assess roads without coring.
- Discussion in relation to the two Asset Management Software solutions.

Mr Graham advised that they had spoken with other Councils and with DPTI in relation to methods used by ARRB, he further advised the assessment by ARRB will deliver the results we are after.

Mr McCauley advised that the two systems under consideration are similar with differences in the level of support offered.

Mr Brass queried if the Asset Management Programme will assist to ensure the Audit Committee do not receive another qualified audit report.

Mr Graham advised they were adhering to the Auditors requirements.

Cr Rich moved Mr Hurley seconded

That the report be received.

CARRIED 012/2014 (11/03/2014)

MANAGER INFORMATION SYSTEMS

12. EDRMS SYSTEM UPDATE

Mr Cowley spoke to this report.

- Currently comparing what other Councils are doing, price and expected timelines.

Cr Nicholls suggested that this was a high priority to ensure compliance.

Cr Nicholls moved Cr Bowman seconded

That the report be received.

CARRIED 013/2014 (11/03/2014)

ITEM 3 GENERAL BUSINESS

Nil

ITEM 4 NEXT MEETING

Tuesday 13th May 2014 commencing at 2.00pm with Risk Management Training for Audit Committee Members.

ITEM 5 CLOSURE

The Meeting Closed at 4.12pm

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Mr Peter Brass
12th May 2014