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## **Minutes of the Audit Committee Meeting of the Yorke Peninsula Council**

held on Wednesday 14<sup>th</sup> December 2016,  
in the Council Chambers  
57 Main Street Minlaton commencing at 10:00am  
(Subject to confirmation)

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### **ITEM 1 WELCOME**

Mr Peter Brass welcomed everyone to the meeting and declared the meeting open at 10.04am.

### **PRESENT**

Independent Members Peter Brass and Rob Reiman, Councillors Tania Stock and John Rich.

### **APOLOGIES**

Councillor Scott Hoyle

### **IN ATTENDANCE**

Mayor Ray Agnew	Chief Executive Officer
Andrew Cameron	Director Corporate and Community Services
David Harding	Director Assets and Infrastructure
Trevor Graham	Manager Financial Services
Sid Jain	Asset Manager
Michael McCauley	Risk Management Officer
Roxanne White	Financial Accountant
Chloe Brown	Minute Secretary
Rachel Rich	

### **MINUTES OF THE PREVIOUS MEETING**

**Cr Stock moved**

**Cr Rich seconded**

That the minutes of the Audit Committee meeting held on 26<sup>th</sup> October 2016 as circulated, be confirmed as a true record.

**CARRIED 043/2016 (14/10/2016)**

## **CONFLICT OF INTEREST**

The Chairperson reminded all members of the 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. No conflicts were disclosed by the Committee members.

## **ITEM 2 REPORTS**

### **1. APPOINTMENT OF AUDIT COMMITTEE CHAIR**

Mr Andrew Cameron acted as the returning officer and asked for any nominations to be put forward.

Cr Stock nominated Mr Peter Brass to be appointed as Chair of Audit Committee.

**Cr Stock moved                      Cr Rich seconded**

That Mr Peter Brass be elected as Chair of the Audit Committee.

**CARRIED 044/2016 (14/12/2016)**

### **2. 2015/2016 EXTERNAL AUDITOR'S REPORT (AUDIT OPINION)**

Mr David Harding spoke to the report and answered questions from the Committee.

**Cr Rich moved                      Rob Reiman seconded**

That the Audit Committee receive and note the 2016 external auditor's reports (audit opinions) and associated letters, reports and declarations.

**CARRIED 045/2016 (14/12/2016)**

### **3. EXTERNAL AUDIT ACTIVITY UPDATE**

Mr David Harding spoke to the report and answered questions from the Committee. Cr Rich suggested that Audit Committee consider a change in format for report attachments. Mr Harding took the suggestion on notice.

Mr Brass queried the lack of progress on some IT back up issues raised in the report. Mr Harding spoke about priorities and delays on securing some equipment. Mr Brass suggested the report contain such information to further clarify delays. Mr Harding took the suggestion on notice.

**Cr Rich moved                      Cr Stock seconded**

That the Audit Committee endorse the updated External Audit findings and recommendations report.

**CARRIED 046/2016 (14/12/2016)**

### **4. AUDIT COMMITTEE ANNUAL REVIEW AND SELF-ASSESSMENT 2016 AND DRAFT WORK PROGRAM FOR 2017**

Mr David Harding spoke to the report and answered questions from the Committee.

Mr Brass suggested that individual self-assessment forms not be part of the report that is put up on website, but rather have a summary of the assessments be contained within the report. Mr Harding took the suggestion on notice.

Discussion ensued around suitable times for 2017 meetings.

Peter Brass advised that he is not available for meeting scheduled on 22<sup>nd</sup> Feb 2017. Suggestion to secure 15<sup>th</sup> February 2017 as the first meeting of the year.

**Rob Reiman moved**                      **Cr Stock seconded**

That the Audit Committee:

1. Endorse and adopt the updated Audit Committee Terms of Reference January Council Meeting.
2. Endorse the 2016 Audit Committee Annual Review and Self-Assessment for the period 1 January 2016 to 31 December 2016.
3. Endorse the 2016 Audit Committee Annual Report and recommend to Council that it be adopted.
4. Endorse the 2017 Audit Committee Work Plan for the period 1 January 2017 to 31 December 2017.

**CARRIED 047/2016 (14/12/2016)**

## **5. 2016/2017 SEPTEMBER QUARTERLY BUDGET REVIEW**

Mr David Harding spoke to the report and answered questions from the Committee.

**Cr Rich moved**                              **Cr Stock seconded**

That the Audit Committee receive and note the changes to the 2016/17 Budget as endorsed by Council at its meeting on 16 November 2016 as presented.

**CARRIED 048/2016 (14/12/2016)**

## **6. ASSET MANAGEMENT UPDATE**

Mr Michael McCauley presented a verbal report and answered questions from the Committee.

**Cr Stock moved**                              **Rob Reiman seconded**

That the Audit Committee receives and notes the report.

**CARRIED 049/2016 (14/12/2016)**

## **7. RISK MANAGEMENT UPDATE**

Mrs Roxanne White spoke to the report and answered questions from the Committee. Mr Brass queried the development of a Business Continuity Planning Manual being placed on hold. Discussion ensued around BCP and regular updates will be provided to the Committee.

**Cr Rich moved**                              **Cr Stock seconded**

That the Audit Committee receives and notes the report.

**CARRIED 050/2016 (14/12/2016)**

## **8. INTERNAL FINANCIAL CONTROL POLICY**

Mr Brass declared a perceived conflict of interest for this and the following agenda item. Minter Ellison are legal advisers for the employer of Mr Brass and it was noted the same firm conducted the review of Council policies for legislative compliance. Mr Brass remained in the meeting and participated in the discussion.

Mr Sid Jain spoke to the report and answered questions from the Committee.  
Mr Brass queried the definition of employee within the policy and suggested “worker” might be a more appropriate term. Question taken on notice. Mr Brass also raised the requirement to include the Internal Auditor roles and responsibilities in relation to this policy (Section 4.2).  
Question taken on notice.

**Cr Stock moved                      Rob Reiman seconded**

That the Audit Committee recommend to Council that the Internal Financial Control Policy, as presented be endorsed and adopted, subject to management confirming changes to definitions and roles and responsibilities.

**CARRIED 051/2016 (14/12/2016)**

## **9. RISK MANAGEMENT POLICY**

Mr David Harding spoke to the report and answered questions from the Committee.  
Mr Reiman questioned point 4.5 the word delegated, as Terms of Reference state that Audit Committee does not have delegation. Question was taken on notice.  
Cr Rich queried the reason for requiring a two thirds majority vote of Councillors under Clause 6 of the policy. Question taken on notice and will follow up with Minter Ellison.

**Cr Rich moved                      Rob Reiman seconded**

That the Audit Committee recommend to Council that the updated PO091 Risk Management Policy as presented, be endorsed and adopted, subject to management addressing the issues discussed at Audit Committee.

**CARRIED 052/2016 (14/12/2016)**

## **ITEM 3 GENERAL BUSINESS**

### **ITEM 4 NEXT MEETING**

Wednesday 15th February 2017 4.00pm

### **ITEM 5 CLOSURE**

The Meeting Closed at 11.00am

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**Mr Peter Brass**