



*Agriculturally rich-Naturally beautiful*

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

held on Wednesday 23<sup>rd</sup> September 2015,  
in the Council Chambers  
57 Main Street Minlaton commencing at 3.00pm  
(Subject to confirmation)

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### **ITEM 1 WELCOME**

Mr Peter Brass welcomed everyone to the meeting and declared the meeting open at 3.03pm

### **PRESENT**

Independent Members Peter Brass (via teleconference) and David Hurley, Councillors John Rich and Tania Stock

### **APOLOGIES**

Councillor Scott Hoyle, Brianna Wood, Trevor Graham

### **IN ATTENDANCE**

Mayor Ray Agnew	Mayor
Andrew Cameron	Chief Executive Officer
David Harding	Director Corporate and Community Services
Anne Hammond	Corporate Services Manager
Amanda Pitt	Business Improvement Officer
Michael McCauley	Asset Manager
Karen Schulz	Manager Financial Services
Chloe Brown	Financial Accountant
Daniel Griffin	Financial Accountant
Felicity Kemp	Minute Secretary

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

**Cr Rich moved**                      **David Hurley seconded**

That the minutes of the Audit Committee meeting held on 24<sup>th</sup> June 2015 as circulated, be confirmed as a true record.

**CARRIED 38/2015 (23/09/2015)**

## **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.

## **ITEM 2 REPORTS**

### **1. AUDIT COMMITTEE 2015 WORKPLAN**

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

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

That the Audit Committee endorses the updated Work plan.

**CARRIED 039/2015 (23/09/2015)**

### **2. EXTERNAL AUDIT MANAGEMENT LETTER JUNE 2015**

Mr David Harding and Ms Karen Schulz spoke to the report and answered questions from members. David Hurley asked how effective the internal controls have been.

Peter Brass requested possible alignment of the Auditors Risk Matrix with the YPC Risk Matrix.

Action: Ms Karen Schulz to allocate specific actions and completion dates to employees and note for auditors

Action: Mr David Harding to review Matrix with Newbery staff.

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

That the Audit Committee receives the letter from Dean Newbery and Partners and endorse the draft response.

**CARRIED 040/2015 (23/09/2015)**

### **3. EXTERNAL AUDIT UPDATE SEPTEMBER 2015 (VERBAL)**

***Due to Jim Keogh absence from the meeting, this item was discussed in Item 3 General Business.***

Mr David Harding gave a verbal update on the audit visit and read an email from the Audit Partner, Jim Keogh. Mr Keogh will attend next meeting to deliver update and attend "in camera" meeting with Audit Committee.

Note: Agenda to be sent to Mr Jim Keogh for next Audit Meeting 28<sup>th</sup> October

#### **4. INTERNAL AUDIT ACTIVITY REPORT**

Ms Anne Hammond spoke to the report and answered questions from members.  
Cr Rich commented on results from the Timesheet review report.  
Mr Andrew Cameron and Officer Ms Amanda Pitt responded in regard to issues found.  
David Hurley has asked for further clarification of actions to be taken.  
Cr Stock has asked if further investigation will occur.  
Mr Andrew Cameron and Ms Amanda Pitt answered questions put forward.

**Cr Rich moved**                      **David Hurley seconded**

That the Audit Committee receives the report.

**CARRIED 041/2015 (23/09/2015)**

#### **5. INTERNAL CONTROLS PROJECT UPADTE**

Ms Anne Hammond spoke to the report and answered questions from members. David Hurley asked about finance manual. Ms Karen Schulz advised the Finance Manual will be presented at next Audit Committee meeting.  
Peter Brass questioned internal controls being audited in September visit, Ms Karen Schulz advised that the external auditors advised they will focus on internal controls at next visit.

**Cr Stock moved**                      **David Hurley seconded**

That the Audit Committee receives the report.

**CARRIED 042/2015 (23/09/2015)**

#### **6. INTERNAL CONTROLS PROPOSED SCHEDULE**

Ms Amanda Pitt spoke to the report and answered questions from members.

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

That the Audit Committee endorse the proposed schedule.

**CARRIED 043/2015 (23/09/2015)**

#### **7. PROPOSED IMPLEMENTATION REVIEW OF THE ASSET MANAGEMENT SYSTEM**

Ms Amanda Pitt spoke to the report and answered questions from members. Cr Rich commented on the review going forward. Members discussed if the review should be postponed until further notice?

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

Recommendation B: That the Audit Committee does not proceed with the proposed Asset Management System Post Implementation Review.

**CARRIED 044/2015 (23/09/2015)**

## **8. ASSET MANAGEMENT UPDATE**

Mr Michael McCauley spoke to the report and answered questions from members. David Hurley requested further clarification. Ms Karen Schulz gave an explanation of the application of the accounting standards to disposals and why this method was not able to be applied until the introduction of the new Asset Management System.

Mr David Harding also gave an update of application of accounting standards in relation to residual values for road infrastructure.

**Cr Stock moved**                      **David Hurley seconded**

That the Audit Committee receives the report.

**CARRIED 045/2015 (23/09/2015)**

## **9. ASSET REVALUATIONS REVIEW**

Mr Michael McCauley spoke to the report and answered questions from members.

Cr Stock requested further information on report, Ms Karen Schulz clarified.

**Cr Rich moved**                      **David Hurley seconded**

That the Audit Committee receives the report.

**CARRIED 046/2015 (23/09/2015)**

## **10. RISK MANAGEMENT REPORT**

Ms Anne Hammond spoke to the report in Ms Brianna Woods's absence and answered questions from members. David Hurley asked if we have insurance cover for risks, and CEO Mr Andrew Cameron covered Council's current insurance policy. Ms Amanda Pitt commented further controls on risk insurance should be included in the current controls within the RM Plan.

Mr David Harding advised the committee of an organizational restructure in Council.

Peter Brass requested feedback on mandatory training which Elected Members have completed. Cr Rich gave update on the training.

**David Hurley moved**                      **Cr Rich seconded**

That the Audit Committee endorse the updated Council Strategic Risk Management Plan

**CARRIED 047/2015 (23/09/2015)**

## **11. LONG TERM FINANCIAL PLAN UPDATE**

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

CEO Mr Andrew Cameron and Mr David Harding commented about Federal Funding for Clinton Road and effects on LTFP. Cr Stock questioned when the LTFP would go to Council.

Mr David Harding advised this will likely be presented to the November Council meeting to endorse for public consultation as the LTFP needs to include the audited 2014/2015 financial results, the first quarter 2015/2016 Budget Review and the updated Asset management Plan all to be endorsed by Council between now and the November meeting.

Mr David Harding advised the LTFP has been discussed with the external auditors and they supported the progress being made and timing for Council approval.

**Cr Rich moved**                      **David Hurley seconded**

That the Audit Committee received the report.

**CARRIED 048/2015(23/09/2015)**

## **12. POLICY REVIEWS**

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

Cr Stock questioned the Community Loans Policy repayment rate and terms.

David Hurley questioned Asset Accounting Policy.

Peter Brass questioned stocktake timelines for Attractive Portable Items. Results of the 2year stocktake to be analysed as to whether annual stock takes need to occur.

Cr Stock asked if copies of old policies with the track changes were available.

Peter Brass suggested Council may look to adopt the process of recording default notices against debtors as a part of the Outstanding Debt Policy – this has been undertaken by some other Councils.

**Cr Rich moved**

**Cr Stock seconded**

That the Audit Committee receives the Policies attached as endorsed by Council.

**CARRIED 049/2015(23/09/2015)**

## **ITEM 3 GENERAL BUSINESS**

Nil

## **ITEM 4 NEXT MEETING**

Wednesday October 28<sup>th</sup> 2015 at 8.30 am.

## **ITEM 5 CLOSURE**

The Meeting Closed at 4.28pm

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**Mr Peter Brass**