



*Agriculturally rich-Naturally beautiful*

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

held on Monday 27<sup>th</sup> October 2014,  
in the Council Chambers  
57 Main Street Minlaton commencing at 2.00pm  
(Subject to confirmation)

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An in-camera meeting was held with the Audit Committee, external audit and internal audit from 2.05 pm to 2.25pm. Management and staff were invited back into Council Chambers at the conclusion of the meeting.

### **ITEM 1 WELCOME**

Mr Peter Brass welcomed everyone to the meeting and declared the meeting open at 2.27pm

### **PRESENT**

Independent Members Peter Brass and David Hurley, Councillors Bob Nicholls, John Rich and Brenda Bowman

### **APOLOGIES**

Andrew Cameron (CEO), Brianna Wood (Risk Administrator)

### **IN ATTENDANCE**

Mayor Ray Agnew  
Roger Brooks  
David Harding  
Trevor Graham  
Michael McCauley  
Karen Schulz  
Anne Hammond  
Chloe Brown  
Jim Keogh  
Kylie Gray

Acting Chief Executive Officer  
Director Corporate and Community Services  
Director Assets and Infrastructure Services  
Asset Manager  
Manager Financial Services  
Business Improvement Officer  
Financial Accountant  
External Audit Partner – Dean Newbery and Partners  
Minute Secretary

## **MINUTES OF THE PREVIOUS MEETING**

**Cr John Rich moved**

**Cr Bob Nicholls seconded**

That the minutes of the Audit Committee meeting held on Tuesday 16<sup>th</sup> September 2014 as circulated, be confirmed as a true record.

**CARRIED 040/2014 (210//2014)**

## **CONFLICT OF INTEREST**

The Chairperson 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**

### **1. UPDATED AUDIT COMMITTEE WORK PLAN**

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

Mr Harding advised that a detailed Risk management update will be scheduled for the December meeting and no interim update was scheduled for the current meeting.

The Chairperson referred to the Strategic Risk Management Plan and the four strategic risks rated as extreme and reiterated his belief that there should be a major focus in this area until resolution with regular updates to be provided to the Audit Committee.

Mr Harding undertook to advise the Risk Management Department of the Chairpersons comments.

**Cr Bob Nicholls moved**

**Cr Brenda Bowman seconded**

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

**CARRIED 041/2014 (27/10/2014)**

### **2. INTERNAL AUDIT ACTIVITY REPORT**

Ms Anne Hammond spoke to the report and answered questions from members.

Customer Service Request review scheduled to begin early in 2015.

**Action:** Anne to email all members to confirm the start date.

The Chairperson suggested a timeline chart for major internal audit projects would be useful for members of the Committee.

As discussed previously a review by the external auditors of Councils' internal controls should take place prior to the formal internal control audit requirements for rural council's commencing in 2015-16.

**Mr David Hurley moved**

**Cr John Rich seconded**

That the report be received.

**CARRIED 042/2014 (27/10/2014)**

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

Mr Jim Keogh provided the members with a verbal update.

All queries have been addresses and information provided, nothing remains outstanding.

Mr Keogh commended Ms Karen Schulz for provision of timely, high quality 2013/14 financial statements and working papers ahead of the audit visit and the provision of all information in response to questions raised during the audit visit.

Mr Peter Brass offered his commendations to Ms Karen Schulz and Mr Michael McCauley for the endorsement of the Transportation Infrastructure revaluation.

Mr Keogh outlined the process from this point with statements to be endorsed at the November Council meeting followed by the issue of the External Audit Management Letter. Final statements will be available for the December meeting of the Audit Committee meeting.

### **4. 2013/2014 AUDITED FINANCIAL STATEMENTS**

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

Cr John Rich offered his commendation to Mr David Harding and his team for the work that has been done in the continuing improvement in financial processes resulting in high quality, understandable reports for the Audit Committee.

Mr David Harding discussed the challenges associated with revaluations required under the accounting standard AASB13 including the learning outcomes, issues encountered in the identification and valuation of council buildings and the impacts of revised depreciation provisions on the Financial Statements.

Discussions centred on the requirement for strategic plans in regard to management and ownership of Council buildings and the necessity to co-ordinate that plan in conjunction with the Asset Management Plan, Long Term Financial Plan and consultation with communities impacted.

**Cr Bob Nicholls moved**

**Cr John Rich seconded**

That Audit Committee recommend to Council that the audited Annual Financial Statements for the year ended 30 June 2014 be adopted and that:

1. The Chief Executive Officer and Mayor be authorised to certify the accounts, and
2. The Chief Executive Officer and the Presiding Member of the Audit Committee sign the Auditor Independence Declaration, and
3. The Chief Executive Officer and the Director Corporate and Community Services be authorised to sign the Management Representation Letter to the Auditors.

**CARRIED 043/2014 (27/10/2014)**

### **5. ASSET MANAGEMENT UPDATE**

Mr Michael McCauley provided the members with a verbal update.

Transport assets have been moved into the Conquest asset management system providing data for the creation of budget and works programs over future years.

Data is still to be collected in respect of approximately 2000km of the unsealed road network which is scheduled to be completed by end of May 2015.

Data is currently being collected for CWMS for entry into Conquest.

Cr Bob Nicholls requested the Audit Committee be advised of the cost of consulting/contracting work undertaken to date in regard to the condition assessments and revaluation of transportation infrastructure following the audit qualification received in 2012/2013.

**Action:** Michael McCauley to email the audit committee on costs incurred to date for the data collection to 30 June 2014 and expenditure included for this project in the 2014/2015 Adopted Budget.

Tonkin Consulting will assist staff in a presentation currently scheduled for January/February to provide an overview of the asset management system to the elected body. Information in regard to this project will be incorporated in the major project update planned for the induction sessions to be held for the new Council on 13<sup>th</sup> and 14<sup>th</sup> November 2014.

Discussion occurred around maintaining the Asset Management Plan and rolling major data gathering for revaluations over the required 5 year period to avoid spikes in associated costs.

### **ITEM 3 GENERAL BUSINESS**

Mr Peter Brass offered his thanks to Councillors John Rich, Bob Nicholls and Brenda Bowman for their contributions to the Audit Committee over the past 4 years.

Following Council elections members of Council committees such as the Audit Committee will be finalised at the November meeting of Council.

Mr Harding also recorded his thanks to the elected members for their contribution the Audit Committee with special thanks to Cr Brenda Bowman who is attending her last Audit Committee meeting as she is not seeking re-election to Council. Mr Harding also wished Cr Nicholls and Cr Rich well in the upcoming election.

### **ITEM 4 NEXT MEETING**

Tuesday 2<sup>nd</sup> December 2014 at 3pm

Minlaton Council Chamber

### **ITEM 5 CLOSURE**

The Meeting Closed at 3.10pm

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**Mr Peter Brass**