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Minutes of the Audit Committee Meeting of the Yorke Peninsula Council

held on Wednesday 28th October 2015,
in the Council Chambers
57 Main Street Minlaton commencing at 8:30am
(Subject to confirmation)

ITEM 1 WELCOME

Mr Peter Brass welcomed everyone to the meeting and declared the meeting open at 8.34am.

The Audit Committee held an In-camera meeting with the external auditor and internal auditor and it is considered good governance practice to conduct such a meeting on an annual basis.

8.53am the Audit Committee public meeting resumed.

PRESENT

Independent Members Peter Brass and David Hurley, Councillors John Rich, Scott Hoyle and Tania Stock.

APOLOGIES

Anne Hammond, Trevor Graham, Brianna Wood

IN ATTENDANCE

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

MINUTES OF THE PREVIOUS MEETING

Cr Rich moved **Cr Stock seconded**

That the minutes of the Audit Committee meeting held on 23rd September as circulated, be confirmed as a true record.

CARRIED 50/2015 (28/10/2015)

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 the Committee.

Mr Peter Brass will confirm the December meeting date, as this date may need to be changed if there are conflicting work commitments. Cr Rich requested that meetings be scheduled to ensure they are alongside other Council meetings / workshops.

Cr Hoyle moved **Cr Stock seconded**

That the Audit Committee endorses the updated Work plan.

CARRIED 051/2015 (28/10/2015)

2. REVIEW 2014-2015 FINANCIAL STATEMENTS

The Audit Committee held an In-camera meeting with the external auditor and internal auditor and it is considered good governance practice to conduct such a meeting on an annual basis.

3. RECOMMENDATION TO COUNCIL REGARDING 2014-2015 FINANCIAL STATEMENTS

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

Mr Peter Brass would like the presentation on the financial statements to be incorporated into this agenda item for future years.

Mr Jim Keogh spoke to the committee about his correspondence to Council re: Audit Completion Report and indicated an unqualified audit report will be issued.

Mr Peter Brass asked if a formal audit letter will be produced and presented to the Audit Committee. Mr Jim Keogh informed the committee the final audit letter to the Mayor will be supplied before next Council Meeting.

Cr Rich asked for more information on Leases recorded in the financial statements and Ms Karen Schulz clarified the information requested .

Cr Rich moved **David Hurley seconded**

That Audit Committee recommend to Council that the audited Annual Financial Statements for the year ended 30 June 2015 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, and
4. The Audit Completion Report is received and noted.

CARRIED 052/2015 (28/10/2015)

4. RECOMMENDATION TO COUNCIL REGARDING FIRST QUARTER 15/16 BUDGET REVIEW

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

Cr Hoyle moved David Hurley seconded

That the Audit Committee recommend that Council adopt the September 2015 Budget Review changes as presented in the attached Summary of Changes and Financial Reports (Uniform Presentation of Finances, Statement of Comprehensive Income) and receive the updated Balance Sheet, Cash Flow Statement, Statement of Changes in Equity and Financial Ratios reports.

CARRIED 053/2015 (28/10/2015)

5. INVESTMENT REPORT 2014/15 FINANCIAL YEAR

Ms Karen Schulz spoke to the report and answered questions from the Committee.

Cr Stock moved Cr Rich seconded

That the Audit Committee receives the report.

CARRIED 054/2015 (28/10/2015)

6. INTERNAL CONTROLS UPDATE

Ms Amanda Pitt addressed the Audit Committee on Internal Controls progress and introduced Ms Chelly Litster into the Internal Audit role whilst Ms Amanda Pitt is on maternity leave.

Mr Peter Brass welcomed Ms Chelly Lister and looks forward to receiving internal audit reports for the Committee to review as they add value in strengthening internal controls and improving business processes.

7. RISK ADMIN UPDATE

Mr David Harding spoke to the members on behalf of Ms Brianna Wood.

Mr David Harding advised the Committee that Ms Brianna Wood requested the committee advise a timeline of when to report.

Mr Peter Brass commented he would like Risk Management to report to the Committee every meeting and would like Directors to report and present at future meetings in regard to "risk" areas within their portfolios.

Cr Stock would like to see a report to every meeting, it is essential for the committee to receive regular updates.

Mr Peter Brass suggests a forward plan for risk management activities similar to the internal audit plan be presented to the committee at the next meeting.

Cr Rich suggested that reports should not be presented just for the sake of reporting and would be happy to receive verbal reports where appropriate.

8. ASSET MANAGEMENT UPDATE

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

Cr Stock commented about the Asset Management System, Conquest, being used currently as guidance for works plans and is concerned about legal risks associated with deviations from these plans.

Mr Andrew Cameron commented on Councils decision process and the function of the plans is to guide the decision making process

Mr Jim Keogh spoke in regard to process and due diligence when using the work plans as guidance for annual budget decisions.

Cr Rich moved **Cr Stock seconded**

That the Audit Committee receives the report.

CARRIED 055/2015 (28/10/2015)

9. ELECTRONIC DOCUMENT AND RECORDS MANAGEMENT SYSTEM

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

Mr Peter Brass would like Mr David Harding to ensure the Privacy Act is considered in the tender process and incorporated into the EDRMS.

Cr Rich moved **Cr Stock seconded**

That the Audit Committee receives and notes the report.

CARRIED 056/2015 (28/10/2015)

10. POLICY REVIEWS

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

Cr Stock moved **Cr Hoyle seconded**

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

CARRIED 057/2015 (28/10/2015)

11. FINANCE MANUAL

Mr Karen Schulz spoke to the report and answered questions from the Committee.

Ms Karen Schulz indicated that this is an operational manual and would appreciate feedback in regard to completeness of the Finance Manual at the next meeting. The Finance Manual will be reviewed immediately and all sensitive information removed and a summary of the Finance Manual contents will be provided to the Committee for feedback.

Cr Rich moved **Cr Hoyle seconded**

That the Finance Manual be received and reviewed by the Audit Committee.

CARRIED 058/2015(28/10/2015)

ITEM 3 GENERAL BUSINESS

Nil

ITEM 4 NEXT MEETING

Wednesday 9th December 2015, 3.00pm

ITEM 5 CLOSURE

The Meeting Closed at 9.55am

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Mr Peter Brass