

## AUDIT COMMITTEE

Minutes of meeting held on Tuesday, 26<sup>th</sup> May, 2015 at 5.30 p.m.  
in the Committee Room, Civic Centre, 10 Watson Terrace, Mount Gambier

PRESENT: Jeroen Zwijnenburg (Presiding Member)  
Cr Sonya Meziniec

APOLOGY/IES: Donald Currie

COUNCIL MEMBERS/  
OTHERS AS  
OBSERVERS:

GUESTS: Nil

COUNCIL EMPLOYEES  
IN ATTENDANCE: Mr Grant Humphries, Director - Corporate Services  
Mr Gary Button, Finance Manager

OTHER APOLOGIES:

**WE ACKNOWLEDGE THE BOANDIK PEOPLES AS THE TRADITIONAL CUSTODIANS OF THE LAND WHERE WE MEET TODAY. WE RESPECT THEIR SPIRITUAL RELATIONSHIP WITH THE LAND AND RECOGNISE THE DEEP FEELINGS OF ATTACHMENT OUR INDIGENOUS PEOPLES HAVE WITH THIS LAND.**

MINUTES: Cr Meziniec moved the minutes of the previous meeting held on Tuesday, 24<sup>th</sup> March, 2015 be taken as read and confirmed.

Jeroen Zwijnenburg seconded

Carried

QUESTIONS:

- (a) With Notice – Nil received
- (b) Without Notice – Nil submitted

### **1. REPORTS FOR INFORMATION**

The Director - Corporate Services reported that the following Council Reports were provided to the Audit Committee for information:

- 2.1 CCS Report No. 17/2015 – Review of Valuation and Rating Structure
- 2.2 CCS Report No. 23/2015 – Policy Review - Fraud and Corruption/Whistleblowers
- 2.3 CCS Report No. 24/2015 – Delegations Review
- 2.4 CCS Report No. 26/2015 – Budget Update (as at 30/03/2015)

### **RECOMMENDATION NO. 1**

**Jeroen Zwijnenburg moved it be recommended that the above reports be received.**

**Cr Meziniec seconded**

**Carried**

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**2. AUDIT WORK PROGRAM 2007 - 2014**

The Director - Corporate Services reported:

- (a) the Audit Committee should continually review the Audit Work Program to establish whether any adjustments are required to be introduced for the particular financial years activities;
- (b) the Audit Work Program 2007-2014 was last reviewed and adopted in August 2014 and scheduled for review in August 2015;
- (c) the following activities and associated timelines (extracted from the Audit Work Program) are highlighted in abbreviated form, for the Committees review:

FEBRUARY	<ul style="list-style-type: none"><li>• Treasury Management Reviews</li><li>• Asset Reviews</li><li>• Policy reviews incorporating;<ul style="list-style-type: none"><li>• Internal Controls</li><li>• Fraud and Corruption Framework</li><li>• Whistleblowing</li><li>• Risk Management</li><li>• Budget Performance</li></ul></li></ul>
MAY	<ul style="list-style-type: none"><li>• Interim External Audit</li><li>• Business Continuity</li><li>• Business Plan and Budget</li></ul>
AUGUST	<ul style="list-style-type: none"><li>• Work Plan Review</li><li>• Annual Report to Council incorporating;<ul style="list-style-type: none"><li>• Self Assessment</li><li>• Review of Work Plan</li><li>• Review of Terms of Reference</li></ul></li></ul>
NOVEMBER	<ul style="list-style-type: none"><li>• Statutory External Audit</li><li>• AFS authorisation by Presiding Member</li><li>• Council Annual Report Compliance</li></ul>

**RECOMMENDATION NO. 2**

**Cr Mezinec moved it be recommended the report be received;**

**Jeroen Zwijnenburg seconded**

**Carried**

**3. GOVERNANCE REPORT**

The Director Corporate Services reported:

- (a) Councils Governance Officers has provided the attached report on a range of 'Risk' or 'Compliance' matters that are currently in progress, some of which are referenced in the Audit Committee Work Plan;
- (b) these progress reports are provided for information.

**RECOMMENDATION NO. 3**

**Jeroen Zwijnenburg moved it be recommended the report be received.**

**Cr Meziniec seconded**

**Carried**

**4. FINANCIAL INTERNAL CONTROLS**

The Director Corporate Services reported:

- (a) Commencing with the 2015/2016 financial year (for regional Councils) local government auditors will be required to carry out an expanded audit and provide, in addition to the Statutory Audit, a formal opinion in relation to the effectiveness of Councils Internal Controls;
- (b) Council has now completed its review of its internal financial controls and has documented the framework into the prescribed 'Better Practice Model - Internal Financial Controls (BPM)' including an ongoing regular monitoring and/or review regime to ensure the internal financial controls remain effective and are functioning property;
- (c) a report is now provided on the Internal Financial Control project including a recommendation for the adoption of the completed Risk Assessments.

**RECOMMENDATION NO. 4**

**Cr Meziniec moved it be recommended**

- (a) **the report be received;**
- (b) **the Audit Committee accepts the risks and associated actions listed in the Control Assessment Worksheets;**
- (c) **the Audit Committee refers the risk assessments to Council for consideration and adoption;**
- (d) **as part of this recommendation to Council, the Audit Committee acknowledges the additional resources required to develop the 'Internal Financial Control Procedures Manual' and to complete the ongoing risk review processes.**

**Jeroen Zwijnenburg seconded**

**Carried**

**5. 2015/2016 ANNUAL BUSINESS PLAN AND BUDGET**

The Director - Corporate Services reported:

- (a) the process for adoption of the 2015/2016 Business Plan and Budget has commenced;
- (b) consultation on the draft has now closed and the first meeting to consider the Draft Business Plan and Budget is scheduled to be held on 19<sup>th</sup> May, 2015;
- (c) draft documents are available from the Council website and hard copies provided at the meeting.

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**RECOMMENDATION NO. 5**

**Jeroen Zwijnenburg moved it be recommended the report be received.**

**Cr Meziniec seconded**

**Carried**

**6. NEXT MEETINGS (for confirmation)**

- Tuesday, 28<sup>th</sup> July, 2015
- Tuesday, 29<sup>th</sup> September, 2015

The meeting closed at 6.38 p.m.

20<sup>th</sup> May, 2015  
MJT/LD