

**REGIONAL COUNCIL OF GOYDER**

**Minutes** of the meeting of the **Audit Committee** held on **19<sup>th</sup> November 2019** in the Council Chambers, 1 Market Square, Burra, commencing at 10.32a.m.

**1 ATTENDANCE****1.1 Members Present**

Mr. D. Llewelyn (Chairperson), Mayor S.P. Matthey, Cr. W.D. Gebhardt

**1.2 Staff Present**

Mr. D. Stevenson (Chief Executive Officer), Mr. G. Campbell (Finance Manager).

**1.3 Apologies**

Mr. Ian Swan, Cr Jane Kellock

**1.4 Guests**

Nil

**2. CONFIRMATION OF MINUTES**

Moved: Mayor S.P. Matthey

Seconded: Cr. W.D. Gebhardt

**AC15/19** That the **Minutes** of the **Audit Committee** meeting on **Tuesday 15<sup>th</sup> October 2019** be confirmed as read with a revision to minute AC13/19, being:

*That following a review, the audited 2018/19 Annual Financial Statements were found to fairly represent the financial affairs of Council and recommend to Council that the CEO and Mayor sign the Certification of Financial Statements.*

**CARRIED**

**3. BUSINESS ARISING FROM THE MINUTES**

Nil

**4. OTHER BUSINESS****5. COMMITTEE WORK PROGRAM****1.1 Financial Reporting**

ToR 7.1.2 Review accounting & financial policies

The following policies were reviewed:

Department	Policy	Adopted / Reviewed	Next Review
FINANCE	Procurement	Sep-18	Nov-19
FINANCE	Disposal of Land & Assets	Nov-17	Nov-19
FINANCE	Grants	Nov-17	Nov-19
FINANCE	Revenue & Financing	Nov-17	Nov-19
FINANCE	Risk Management	Nov-17	Nov-19

Moved: Cr. W.D. Gebhardt

Seconded: Mayor S.P. Matthey

**AC16/19 That the revised Procurement Policy, Disposal of Land and Assets Policy and Revenue and Financing Policy be tabled at the 17<sup>th</sup> December 2019 Council meeting for consideration and adoption.**

**CARRIED**

Moved: Mayor S.P. Matthey

Seconded: Cr. W.D. Gebhardt

**AC17/19 That the Risk Management Policy be tabled at the 17<sup>th</sup> December 2019 Council meeting for deletion.**

**CARRIED**

Note: No amendments to the Grants Policy

Moved: Cr. W.D. Gebhardt

Seconded: Mayor S.P. Matthey

**AC18/19 That staff prepare a list of potential surplus to requirements land and buildings to be tabled at the 17<sup>th</sup> December 2019 Council meeting for consideration.**

**CARRIED**

### 1.1 Financial Reporting

- ToR 7.1.2 Review timing and sustainability of important activities, eg
- 1) Long Term Financial Plan
  - 2) Annual Business Plan
  - 3) Budget
  - 4) Budget Reviews

Note : critical period is the 21 days Public Consultation required – April - May.

#### Timing for 2020

1. 18<sup>th</sup> February 2020 - Council Meeting – preliminary budget discussion
2. March 2020 - Council tour
3. 17<sup>th</sup> March 2020 - Council Meeting (incl Budget)
4. 7<sup>th</sup> April 2020 - Council Budget Meeting
5. 21<sup>st</sup> April 2020 - Council Meeting (incl Budget) – Audit Committee Meeting – adopt plans for Public Consultation
6. 19<sup>th</sup> May 2020 - Council Meeting – Public Consultation
7. 16<sup>th</sup> June 2020 - Council Meeting – adoption of annual business plan and budget and LTFP

### 2.1 Internal Controls & Risk Management Systems

ToR 7.2 Ensure internal controls are adequate and effective by regular review of procedures for specific function

- Reviewed and noted - Credit card procedure, agreement, register of authorised users and voucher. The agreement was introduced in June 2016 as a recommendation from the auditors Dean Newbery.

Moved: Mayor S.P. Matthey

Seconded: Cr. W.D. Gebhardt

**AC19/19 That Council Staff present the previous quarter statements for the two Council Credit Cards to the Mayor for review.**

**CARRIED**

## 2.2 Business Continuity Plan

ToR 7.2 Confirm Business Continuity Plan is adequate and effective.

- Reviewed and noted - Finance, Payroll and Customer Service components of the revised Business Continuity Plan – updated September 2019.

## 4 External Audit

ToR 7.4 Review balance date audit management letter & response, including the confirmation that internal controls are adequate.

- Reviewed and noted - audit completion documentation dated 17<sup>th</sup> October 2019 from Council's Auditor Ian McDonald.

## 5 Reporting

1) ToR 9.1 Grants Register Report as at 7<sup>th</sup> November 2019

- Reviewed and noted

2) ToR 8.3 Annually review and report to Council on Audit Committee's performance (previous financial year) – refer attached report.

3) Prepare Draft work program for Audit Committee's consideration and adoption

- Reviewed and noted - draft work program for 2020

4) Monitor status of Work Program

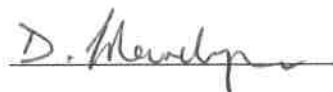
## 6. Next Meeting

10am 18<sup>th</sup> February 2020

## 7. CLOSE OF MEETING

The meeting closed at 11.32am.

CONFIRMED



CHAIRPERSON

DATE

18/2/2020

**REGIONAL COUNCIL OF GOYDER**  
**AUDIT COMMITTEE**  
**PRESIDING MEMBER'S 2018/9 REPORT**

**Timing of this report :**

This report covers the financial year 1 July 2018 to 30 June 2019.

**Meetings :**

Council's audit committee met 4 times during the 2018/19 financial year, being: August and September 2018, and February and April 2019.

The Committee comprises two Independent Members, one of whom is the Presiding Member (Chairperson) and three Elected Members. The Committee is resourced by the Council Chief Executive Officer and Finance Manager.

The membership of the previous Audit Committee ceased at the election of a new Council in November 2018 in line with Council policy.

At the meeting of the new Council in November 2018 Councilors Matthey, Kellock and Gebhardt were appointed as the Council members on the Audit Committee.

Nominations were sought from the public for the vacant two independent member's roles and these were successfully filled by Dafydd Llewelyn and Ian Swan. Council appointed Dafydd to the role of Presiding Member.

Activities of, and recommendations made to Council by the Audit Committee are reported to Council through the provision of Committee meeting minutes to Council.

Matters discussed by the Committee relate to the Committee's Work Program that is informed by the Committee's Terms of Reference. In addition, the Committee considers other matters as referred to it by the Council or by Council staff.

The Committee set the calendar year Work Program for each 2018 and 2019 calendar year and this program is updated and reviewed during the course of the year:

**Budget & Financial Performance Reporting**

The Committee regularly reviewed the method of reporting to Council on their budget and financial performance. This ensures that sufficient information and detail was provided to allow informed decisions to be made by Council.

**Monthly Budget Reviews**

The Committee recognised the process that Council undertakes on a monthly basis to enable Council to review their budget, affect changes and resultant flow on into all other Council planning documents and to monitor the performance of the Annual Business Plan and Annual Budget against objectives and the impact on the Strategic Management Plan and other strategic planning documents. This action exceeds the statutory quarterly budget review process.

**Asset Revaluations**

The Committee annually reviews the asset revaluation schedules and in the 2018/19 financial year the following asset classes were revalued with the net adjustments allocated to the Asset Revaluation Reserve in the 2018/19 Annual Financial Statements.

The 2018 net revaluation adjustment of \$962,162 on a WDV of \$84,203,745 is 1% - the corresponding revaluation in 2013 was a net revaluation adjustment of \$7,246,393 on a WDV of \$91,902,968 being 8%

- reflects continual refinement of the methodology behind the valuations a greater understanding of council's asset base.

### **Budget Formulation**

The Committee agreed to the 2019/20 budget formulation timetable in late 2018.

### **Rate Debt**

Council's rate debt remains a concern and increased by \$30,803 during the financial year - staff have revised their debt collection strategy and engaging debt collection agencies at an earlier stage in the process in an attempt to reel in the O/S debts.

### **Internal Financial Controls & Risk Management Systems**

The 2018/19 financial year is the fourth year that Council's Auditor is to form an opinion on the effectiveness of Council's internal financial controls in place.

Throughout the financial year the Audit Committee reviewed finance procedures relating to internal controls – such as banking, receipting, purchasing, credit card operation and synergy soft master file access – and --- provided feedback to staff for improvement and refinement of these procedures.

### **Review of Accounting, Financial and Assets Policies & Frameworks**

The Committee worked its way through a program of review of Council's Accounting, Financial and Assets Policies and risk frameworks and recommended changes to the following policies:

1. CWMS Pricing
2. Risk Management
3. Procurement
4. Internal Control
5. Motor Vehicle – FBT
6. Council Credit Card
7. Business Continuity Plan - finance component
8. Enterprise Risk Management Framework
9. Fees and Charges
10. Assets
11. Fraud and Corruption

### **Draft 2019/20 Annual Business Plan and Budget and Long Term Financial Plan.**

The Committee agreed that the draft 2019/20 Annual Business Plan and Budget and Long Term Financial Plan (reflecting recommended amendments) be endorsed and recommended to Council as being in a suitable form for public consultation.

### **Auditor and Audit**

The annual audit 2018/19 was completed in October 2019 with no significant variations to the draft financials. The Committee reviewed the interim audit management letter & response, including confirming that internal controls are adequate, effective and minimising the likelihood of fraud.

The Committee recommended to Council that the External Audit Management correspondence from Ian McDonald for the 2018/19 audit be adopted.

The Committee agreed that the audited 2018/19 Annual Financial Statements were found to fairly represent the financial affairs of the Council and the Certification of Financial Statements Letter be signed by the Chief Executive Officer and Mayor Matthey as required.