

# **WAGAIT SHIRE COUNCIL**

**DRAFT MINUTES  
AUDIT COMMITTEE MEETING**

**COUNCIL CHAMBERS  
LOT 62, WAGAIT TOWER ROAD  
9.00AM**

**Thursday 26 September 2019**



## Table of Contents

<b>1.0</b>	<b>Present</b>	<b>3</b>
<b>2.0</b>	<b>Opening of Meeting</b>	<b>3</b>
<b>3.0</b>	<b>Apologies</b>	<b>3</b>
<b>4.0</b>	<b>Confirmation of previous Minutes for the Audit Committee held 21 May 2019</b>	<b>3</b>
<b>5.0</b>	<b>Matters arising from the previous Minutes</b>	<b>3</b>
<b>6.0</b>	<b>Declaration of interests of committee members or staff</b>	<b>3</b>
<b>7.0</b>	<b>Agenda Items:</b>	<b>4</b>
7.1	Audited Annual Financial Statements for the Year Ended 30 June 2019	4
7.2	Draft Annual Report 2018-2019 – Audit Committee Inclusion	5
7.3	Audit Committee Terms of Reference – Draft Revision	5
7.4	Policy Review Schedule	6
7.5	Draft Policy Community Support & In-kind Assistance	6
7.6	2018 Compliance Review – Update	7
7.7	Asset Audit Report Recommendations	7
<b>8.0</b>	<b>Other Business</b>	<b>8</b>
<b>9.0</b>	<b>Confidential Items</b>	<b>8</b>
<b>10.0</b>	<b>In-Camera</b>	<b>8</b>
<b>11.0</b>	<b>Closure of Meeting</b>	<b>8</b>

**1.0 Present:**  
Committee members:

Chair Barry Bamford  
President Peter Clee  
Cr Neil White  
Maureen Newman

**Council Staff:**  
Chief Executive Officer Anna Malgorzewicz

**Nexia Edwards (Auditors)**  
Mr Vikram Sandhu, Nexia Edwards Marshall NT

**2.0 Opening of Meeting:**  
The Chair Barry Bamford declared the meeting open at 9.05am and welcomed all to the meeting.

The Chair advised that the meeting will be audio taped for minute taking purposes only as authorised by the Chief Executive Officer.

**3.0 Apologies:**

Nil

**4.0 Confirmation of previous Minutes for the Audit Committee held Tuesday 21 May 2019**

**Resolution No. 2019/484**

That the Minutes of the Audit Committee Meeting of Tuesday 21 May 2019 be confirmed by Committee Members as a true and correct record.

Moved: Maureen Newman  
Seconded: Cr Neil White  
Vote: AIF

**5.0 Matters Arising from the Previous Minutes:**

Nil

**6.0 Declaration of Interests of Committee Members or Staff.**

Nil

## 7.0 Agenda Items

### 7.1 Audited Annual Financial Statement for the Year Ended 30 June 2019

The Chair Barry Bamford welcomed Mr Vikram Sandhu to the meeting. Mr Sandhu presented the Audited Financial Statements for the Year Ended 30 June 2019 and discussed with the Audit Committee the findings in great detail.

The Committee discussed the previous treatment of depreciation of buildings which have been listed at fair value since 2016. Accounting standards usually require buildings to be depreciated at 2.5% to 5% over a defined period of time. It was noted Council's buildings are scheduled for revaluation during the 2019/2020 financial year. The depreciation rates used for each class of asset was also discussed and it was agreed to recommend amendments to the Summary of Significant Accounting Policies as required. The Committee also recommended that the Accounting Policy Manual be harmonised with these recommendations.

The Draft Financial Statements will be amended accordingly and provided to the Chief Executive Officer with the Management letter for presentation to Council at its meeting in October 2019.

The Chair thanked Mr Sandhu for his thorough briefing and presentation to the Audit Committee.

#### **Resolution No. 2019/485**

That the Audit Committee recommends to Council that a re-valuation of Council's Buildings be undertaken during the 2019/2020 financial year and that proper accounting procedures for the depreciation of buildings be adopted for future preparation of the Audited Financial Statements.

Moved: Chair Barry Bamford  
Seconded: President Peter Clee  
Vote: AIF

#### **Resolution No. 2019/486**

That the Audit Committee recommends to Council that the following parameters for asset classes be used:

Buildings and improvements	20 - 40 years
Plant and equipment	3 - 10 years
Infrastructure	10 years
Office equipment and furniture	3 years
Motor vehicles	5 years

Moved: Maureen Newman  
Seconded: Cr Neil White  
Vote: AIF

**Resolution No. 2019/487**

That the Audit Committee recommends to Council:

- a) That the report entitled Audited Financial Statements for the Year Ended 30 June 2019 be received and noted;
- b) That the presentation from Nexia Edwards Marshall NT be received; and
- c) That the draft amended Financial Statements for the Year Ended 30 June 2019 at Attachment A are suitable for certification by the Chief Executive Officer for inclusion in the Annual Report and be presented to Council.

Moved: Maureen Newman  
Seconded: President Peter Cleo  
Vote: AIF

**7.2 Draft Annual Report 2018-2019 – Audit Committee Inclusion  
COMMITTEES OF COUNCIL**

The Draft Annual Report extract detailing the activities of the Audit Committee was circulated to Members in the Agenda papers. The Chief Executive Officer tabled the full Draft Wagait Shire Council 2018-2019 Annual Report at the meeting.

**Resolution No. 2019/488**

That the Audit Committee:

- a) receives and notes the report entitled Draft Annual Report 2018-2019 Audit Committee Inclusion; and
- b) provides comments on the Draft Wagait Shire Council 2018-2019 Annual Report through the Chair within fourteen (14) days.

Moved: Cr Neil White  
Seconded: Maureen Newman  
Vote: AIF

### 7.3 Audit Committee Terms of Reference

The current policy requires the Audit Committee Terms of Reference to be reviewed on an annual basis. The Terms of Reference were last reviewed on 26 June 2018. To be effective, the Audit Committee must be independent from management and free from undue influence from Councillors. It was agreed to increase the number of community members from one member to two members and to review the policy every three years.

#### **Resolution No. 2019/489**

That the Audit Committee:

- a) Receives and notes the report entitled Draft P29 Audit Committee Terms of Reference – 2019 Revisions;
- b) Endorses the Draft P29 Audit Committee Terms of Reference as amended; and
- c) Recommends Council adopts the Draft P29 Audit Committee Terms of Reference.

Moved: Maureen Newman

Seconded: Cr Neil White

Vote: AIF

### 7.4 Policy Review Schedule

In December 2018, the Department of Local Government, Housing and Community Development delivered its 2018 Compliance Review Report to Wagait Shire Council. The Review identified several policy omissions or policies that were overdue for review. The Chief Executive Officer spoke to the proposed approach to the policy review process via category.

President Clee suggested Policy No. 035, Authorisation of Payments be included in the review schedule. President Clee also discussed the need to ensure the position of Chief Executive Officer is included in the Council Staff Code of Conduct and Disciplinary policies.

#### **Resolution No. 2019/490**

That the Audit Committee:

- a) Receives and notes the report entitled Policy review Schedule 2019/2020;
- b) Endorses the Policy Review Schedule 2019/2020 as amended at Attachment A; and
- c) Recommends Council adopts the Policy Review Schedule 2019/2020 as amended at Attachment A.

Moved: President Peter Clee

Seconded: Cr Neil White

Vote: AIF

## 7.5 Draft Policy Community Support & In-Kind Assistance

The Draft Policy Community Support & In-Kind Assistance provides governance and outlines the method by which support is to be provided to the community, either in-kind or through financial assistance.

President Peter Clee questioned the amount the Chief Executive Officer was delegated to waive and suggested the review date for the Delegations manual be reviewed.

### **Resolution No. 2019/491**

That the Audit Committee:

- a) receives and notes the report entitled Draft Policy Community Support & In-Kind Sponsorship;
- b) endorses the Draft Policy Community Support & In-Kind Sponsorship at Attachment A; and
- c) recommends Council adopts the Draft Policy Community Support & In-Kind Sponsorship at Attachment A.

Moved: Maureen Newman  
Seconded: President Peter Clee  
Vote: AIF

## 7.6 Compliance Review – Update

In December 2018, the Department of Local Government, Housing and Community Development presented to Council its Compliance Review that identified failures of compliance with legislated requirements. Such reviews aim to assist Council in improving internal processes and practices.

The Chief Executive Officer discussed remedies that have been completed and noted corrective actions in progress:

- improved processes for transactions valued between \$10,000 and \$100,000;
- review of Council's policies;
- review and updating of Employment and Human Resource Management Policies;
- improved transparency of recruitment processes; and
- improved records management procedures, protocols and systems.

A further report will be provided to the Audit Committee at its next meeting.

### **Resolution No. 2019/492**

That the Audit Committee:

- a) receives and notes the report entitled 2018 Compliance Review – Update.

Moved: President Peter Clee  
Seconded: Maureen Newman  
Vote: AIF

## 7.7 Asset Audit Report Recommendations

In June 2019, the Chair, Wagait Shire Council Audit Committee, undertook an asset audit with the assistance of Wagait Shire Council staff. The Chair spoke to his report and the recommended actions which continue to be addressed by Council staff.

### **Resolution No. 2019/493**

That the Audit Committee:

- a) receives and notes the report entitled Asset Audit Report & Recommendations;
- b) notes Wagait Shire Council – Asset Audit Report & Recommendations June 2019 at Attachment A; and
- c) thanks the Audit Committee Chair, Mr Barry Bamford for his thorough report and recommendations.

Moved: President Peter Clee

Seconded: Cr Neil White

Vote: AIF

## 8.0 Other Business:

Nil.

## 9.0 Confidential Items:

Nil

## 10.0 In-Camera

Nil

## 11.0 Closure of Meeting:

The next meeting of the Wagait Shire Council Audit Committee will be held in the Wagait Shire Council Chambers on Friday 15<sup>th</sup> November 2019 at 9.00am.

The Chair declared the meeting closed at 10.50am.