



WAGAIT SHIRE COUNCIL

**MINUTES
AUDIT COMMITTEE MEETING**

**COUNCIL CHAMBERS
LOT 62, WAGAIT TOWER ROAD 9.30AM**

Friday 1 April 2022

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1. Present

Committee members:

Chair Clare Milikins (Video)
President Neil White
Councillor Michael Vaughan
Maureen Newman

Council staff:

CEO, Renita Glencross

2. Opening of Meeting

The Chair declares the meeting open at 9:35am and welcomes all to the meeting.

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

2.1. Apologies

The Chair advises that Shelley Hewitt is an apology for the meeting but has provided the Chair with some notes to share to specific agenda items.

Resolution No. 2022/055

That the Committee accept the apology of Shelley Hewitt.

Moved: Chair Clare Milikins

Seconded: Maureen Newman

Vote: AIF

3. Conflict of Interest

The Chair requested that the register be updated as follows:

- Clare Milikins no longer has an interest in Larakia Nation
- Shelley Hewitt now has an interest in the Department of Infrastructure, Planning and Logistics Risk Management & Audit Committee.

4. In Camera Items

At 9:43 am the Chair closed the meeting to the general public.

At 9:54 am the Chair of the Audit Committee re-opened the meeting to the general public.

4.1. Auditor Services

Council policy requires that the auditors used by council are reviewed every three years and an Expression of Interest (EoI) for the provision of auditor services to council 2022-25 was publicly advertised on 5 March 2022.

Two submissions were received by the closing date of Friday 25 March 2022, which are attached.

As described in the Audit Committee Terms of Reference, the committee is to review the submissions and make a recommendation to council about the appointment of external auditors.

Resolution No. 2021/56

That the Committee note the submissions provided to council in response to the EoI, and recommend that council appoint Nexia Edwards Marshall as the external auditor for 2022-25.

Moved: Chair Clare Milikins

Seconded: President Neil White

Vote: AIF

5. Confirmation of Previous Minutes for the Audit Committee

The draft Minutes of the Audit Committee Meeting held Tuesday 1 February 2022 are included as an attachment to the agenda.

Resolution No. 2022/057

That the Minutes of the Audit Committee Meeting of Tuesday 1 February 2022 be confirmed by Committee Members as a true and correct record.

Moved: Maureen Newman

Seconded: Cr Michael Vaughan

Vote: AIF

6. Matters Arising from the Previous Minutes – Nil

7. Action Sheet

Audit Committee Resolution No.		Resolution	Meeting Date	Status
1	None	Half-Yearly Budget Report. The committee requested:	22/01/2020	Action created.
		a) Future Operating Statement financial report be segregated into Operational and Grant funding streams to enable members to assess the real position of Council operations separate from tied the commitments relating to grants; and	8/09/2020	Refer Agenda Item 9. Quarterly Financial Report to be separated into into Operational and Grant funding streams. CEO and Chair to work together to refine the reporting and to bring back a more useful report to the next Committee Meeting.
		b) A report on current grants and their status at its next meeting.	10/11/2020	Refer Agenda Item 9. Financial Reporting has been separated into Operational and Special Grants Inc/Exp as well as a separate report of Unexpended Special Grants.
			01/02/2021	Refer Agenda Item 8.4 a draft half yearly report has been prepared for consideration.
			06/05/2021	Refer Agenda Item 8.4 Three-Qtr Financial report was prepared and tabled at the Community Meeting on 24 April and the Council Meeting on 27 April 2021.
			01/02/2022	A new Business Snapshot Report generated for quarterly and half-yearly financial tracking was tabled and discussed. An amended report with greater detail will be presented back to the committee at the next meeting.
			01/04/2022	The Business Snapshot has not yet been updated and will be presented to the committee at the next meeting.

Resolution No. 2022/058
That the Audit Committee accepts the Action Sheet.
Moved: President Neil White
Seconded: Cr Michael Vaughan
Vote: AIF

8. Agenda Items

8.1. Policies for Review

The Audit Committee resolution 2021/171 endorsed policies that do not require major content changes to be presented directly for council approval.

At the council meetings in February and March 2022, council adopted the following policies that did not require Audit Committee review:

- P01 – Policy Framework
- P02 – Election of a Principal Member
- P09 – Statement of Significant Accounting
- P12 – Workplace Surveillance
- P23 – Emergency Communications
- P25 – Emergency Management Committee Terms of Reference
- P28 – Media Policy
- P31 – Dispute Resolution, Counselling, Disciplining and Dismissal
- P32 – Discrimination, Harassment and Bullying Policy

Resolution No. 2022/059

That the Audit Committee note the policies already adopted by council.

Moved: President Neil White

Seconded: Maureen Newman

Vote: AIF

8.2. Local Government Act Guideline 5: Budgets

In March, the Department of Chief Minister and Cabinet (Local Government and Regional Development) provided advice to councils regarding:

- Guideline 5: Budgets to apply to the 2022-23 budget (which councils must finalise by 30 June 2022 under the Act); and
- Monthly Financial Report Form to become mandatory from 1 July 2022 (however your council may choose to adopt the form earlier).

The content of Guidelines 5 is not intended to cover all the budgeting requirements set out in the Local Government Act 2019, but provides for a standard reporting format all councils must apply as a minimum requirement. Councils must incorporate all mandatory items required under legislation, along with any other additional information as it deems necessary, into its final budget papers. The Monthly Financial Report Form also provides the minimum content for council monthly reports and councils are free to include any additional information as required.

The council Policy Officer and Finance Officer are working with the CEO to further refine the master budget spreadsheet created by Chair Clare Milikins and the CEO last year, in line with Guideline 5, which will apply to the budget for 2022-23.

The chair noted that the NTG model needs to maintain flexibility on inclusive depreciation for

small councils that are asset rich and cash poor, and suggests that it might serve better to have a mandatory asset replacement that is a percentage of total assets.

8.2. Revised Budget 2021-22

At the February meeting, the committee discussed a three-quarter budget review, which was adopted by council at the March meeting by resolution 2022/045 and advertised as required by Section 203 of the Local Government Act 2019.

The Chair has suggested that council consider reviewing the capitalisation of portable assets in the budget and increase the threshold to \$2000-\$3000 per item.

8.4. Draft Shire Plan and Budget for 2022-23

At the March meeting of Council, a draft Shire Plan and Budget for 2022-23 was adopted and will be available for public comment until Thursday 14 April 2022. During this time, a community meeting will be hosted by council (on Saturday 9 April) to receive direct input to the plan from residents and ratepayers.

The council Governance Officer and Finance Officer are working with the CEO to further refine the master spreadsheet in line with Guideline 5 of the Local Government Act and (General) Regulations 2021, which will apply to the budget for 2022-23.

Resolution No. 2022/060

That the Audit Committee note:

8.2 – information provided regarding Guideline 5: Budgets and the Monthly Reporting requirement commencing 1 July 2023;

8.3 – the revised budget for 2021-22 adopted by council at the March meeting; and

8.4 – the draft Shire Plan and Budget for 2022-23.

Moved: President Neil White

Seconded: Cr Michael Vaughan

Vote: AIF

9. Financial Reports

9.1. February 2022 Reports

- Accrual Income and Expenditure Report for December 2021
- Balance Sheet including Financial Report and Notes for December 2021
- Statement of Cash Flows for December 2021
- Special Purpose Grants Report for December 2021

Resolution No: 2022/061

That the Audit Committee accepts the Financial Reports provided for February 2022 and notes the revised budget for 2021-22.

Moved: Chair Clare Milikins

Seconded: Maureen Newman

Vote: AIF

10. General Business

10.1. Schedule of Financial Statutory Responsibilities

The schedule of Local Government compliance responsibilities to be reviewed and ratified by Audit Committee and Council is provided below.

Item	Audit Committee	Council Meeting	NTG Due Date
Review 2022-23 Draft Budget	April	April	-
Adopt 2022-23 Budget	May	May	30 June
2022 Financial Audit - Draft	September	September	-
2022 Annual Report - Draft	September	September	-
Adopt 2022 Financial Audit	October	October	15 November
Adopt 2022 Annual Report	October	October	15 November

10.2. Current Tenders and Procurement

Since February 2021 Council has published procurement requests for Tender/Quote (RFT/RFQ) on the Local Buy portal and on the Council website as well as directly to known contractors. Procurement assessment panels are formed as soon as practicable after closing to facilitate a transparent selection process, which may include Audit Committee members.

Item	Funding	RFQ/RFT Dates	Status	Value
Cox Drive Floodway remediation & resurfacing	R2R (Aus Gov)	Sept-Nov 2021	Completed	\$125,000
Cloppenburg Park culverts, carpark and Greenwaste track	PIF (NTG)	Sept-Nov 2021	Completed	\$125,000
Replace ageing assets	WaRM-1(NTG)	Dec-Mar 2022	Completed	\$ 75,000
Repurpose existing caretaker compound into a centre for recycling, second-hand goods and community trade.	WaRM-2(NTG)	Jan-Jun 2022	In progress	\$ 75,000
Auditor Services for 3 years 2022-2025	Operational	Feb-Mar 2022	In progress	\$ 45,000

11. Closure of Meeting

The next meeting of the Wagait Shire Council Audit Committee will be held in the Wagait Shire

Council Chambers at 9.30am, Tuesday 7 June 2022.

The Chair declared the meeting closed at 10:14 am.