



WAGAIT SHIRE COUNCIL

**MINUTES
AUDIT COMMITTEE MEETING**

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

Tuesday 1 February 2022

Contents

1.	Present	3
2.	Opening of Meeting	3
	2.1. Apologies.....	3
3.	Conflict of Interest	3
4.	In Camera Items	3
5.	Confirmation of Previous Minutes for the Audit Committee	3
6.	Matters Arising from the Previous Minutes	4
7.	Action Sheet	5
8.	Agenda Items	7
	8.1. Delegations Manual and CEO Delegations	7
9.	Financial Reports.....	8
	9.1. December 2021 Reports	8
	9.2. 2021/22 Mid-Year Report	8
10.	General Business	9
	10.1. Schedule for End of Financial Year Statutory Responsibilities	9
	10.2. Current Tenders and Procurement.....	9
11.	Closure of Meeting.....	9

1. Present

Committee members:

A/Chair Shelley Hewitt
President Neil White
Councillor Michael Vaughan
Maureen Newman

Council staff:

CEO, Renita Glencross
Policy Officer, Fiona Carter

2. Opening of Meeting

The A/Chair declares the meeting open at 9.35am and welcomes all to the meeting.

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

2.1. Apologies

The A/Chair advises that the Chair Clare Milikins has given apologies for this meeting.

Resolution No. 2022/020

That the apologies of Chair Clare Milikins be accepted.

Moved: Maureen Newman

Seconded: President Neil White

Vote: AIF

3. Conflict of Interest - Nil

4. In Camera Items - Nil

5. Confirmation of Previous Minutes for the Audit Committee

The draft Minutes of the Audit Committee Meeting held Tuesday 12 October 2021 are included as an attachment to the agenda.

Note that at Number 2 of the minutes the opening time is missing (CEO to add).

Resolution No. 2022/021

That the Minutes of the Audit Committee Meeting of Tuesday 12 October 2021 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

All matters arising from previous minutes have been actioned.

7. Action Sheet

Audit Committee Resolution No.		Resolution	Meeting Date	Status
1	2020/024	<p>The Vehicular Crossovers/Drainage Policy to come back to the next Audit Committee Meeting addressing the issue of causation and linkages to Verge policy.</p> <p>The Audit Committee recommends to Council that:</p> <p>a) P46 Council Verge Management Policy be received and noted;</p> <p>b) That Council adopts the revised P46 Council Verge Management Policy.</p> <p>c) that P06 Vehicular Crossovers and Drainage Policy be rescinded.</p>	22/01/2020	Action Created.
			8/09/2020	Refer Agenda Item 8.7
	2020/136		10/11/2020	Refer Agenda Item 10.3 Council did not follow AC recommendation to adopt the policy and it will be reviewed and redeveloped after discussion and decisions regarding responsibility of costs for verge crossovers. AC has suggested a permit system could support the needs of both residents and Council for verge management.
	2/02/2021		The Policy has been further revised to cover all aspects of verge management including signage, per the new NTG Guidelines for Advertising and Activities in Road Reserves (2020). CEO hope to finalise the policy and permit process for the March meeting of Council.	
	05/08/2021		Refer Agenda Item 8.5 The policy has been reviewed and is presented to AC for consideration.	
	01/02/2022		The Policy was accepted by Council at the October meeting by Resolution No. 2021/187. The CEO recommends that this action item be closed.	
2	None	<p>Half-Yearly Budget Report.</p> <p>The committee requested:</p> <p>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</p>	22/01/2020	Action created.
			8/09/2020	Refer Agenda Item 9. Quarterly Financial Report to be separated into into Operational and Grant funding streams.
			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.

		b) A report on current grants and their status at its next meeting.	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 has been generated for quarterly and half-yearly financial tracking and will be presented to committee and council meetings.

Notes & Actions

1. A verge audit is being actioned by Council. There has been one application in line with the new verge policy and this was successful. CEO was able to action this application as there was no conflict of interest. Action 1 will now be closed and moved to a completed Actions List.
2. December Snapshot Report is new and will be generated for quarterly and mid-year reporting. Together, the snapshot, P&L vs Budget, Special Purpose Grants report and Balance Sheet make up the half-yearly report.

Due to accruals for leave and depreciation being included to operational expenses, the budget will not align with the expenditure for the rest of the year. The committee recommended that a forecast column to be added to address the ongoing differences between the budget and the actuals. This will provide a clearer guide to where the finances currently stand in reference to financial planning and management. There are no accruals being made on expenses. A reference note to this should be included in future financial reports.

Snapshot Report:

- Graph needs to have 'December' added
- Comparison between years is good
- Average time to pay suppliers, seems to be missing a number? Autofill not working. If relevant could be added manually. Outstanding payables includes delays in completing works. More useful to map payments that are overdue, rather than average time to pay suppliers.
- Could include more detail on reserve allocations (this is already in the Balance Sheet).
- Could include a graph that splits operational income & special purpose grants income (cross referenced with P&L and SPG reports).

Resolution No. 2022/022
That the Audit Committee accept the Action Sheet and resolve to close item 1 as requested by the CEO.
Moved: Maureen Newman
Seconded: Cr Michael Vaughan
Vote: AIF

8. Agenda Items

8.1. Delegations Manual and CEO Delegations

Section 40 of the *Local Government Act 2019* gives authority to the Council to delegate its powers and functions to the CEO or a council committee to provide for the expedient exercise and performance of its duties and the efficient management of its business, subject to the limitations described at section 40(3), including:

- the power to enter into a transaction on conditions that are not arm's length conditions if the transaction will provide a community benefit;
- the power to waive a fee for service (wholly or partly) under section 289(4) if the waiver will provide a community benefit;
- the power to incur financial liabilities (the council must, by resolution, fix reasonable limits on the delegate's authority); and
- the power to enter into a contract (the contract must be below the threshold value).

Pursuant to Division 2, Section 6 (1)(j) of the *Local Government (General) Regulations 2021*, a register of all delegations is maintained in council records.

Pursuant to Section 41 of the *Local Government Act 2019* and Section 99 of the *Local Government (General) Regulations 2021*, the Delegations must be reviewed within 6 months after a general election for the council and determine by resolution, the threshold value for financial liabilities and contracts.

The last review of the Delegations was resolved by council on 21 May 2019 by resolution 2019/400.

The attached draft Delegations Manual includes CEO delegations and the instrument of financial delegation from the CEO for all other authorised officers.

The draft Delegations Manual is presented to the Audit Committee for endorsement before recommending to council for approval.

Changes

- The Governance Officer and Finance Officer have been added as a new authorised positions; however only the Finance Officer has financial delegations.
- There are no changes to the values of financial delegations, and these will not be attached the public version of the document.
- Version Control will be moved to the last page.

Resolution No. 2021/023

That the Audit Committee note and recommend the updated Delegations Manual for Council approval.

Moved: President Neil White

Seconded: Cr Michael Vaughan

Vote: AIF

9. Financial Reports

9.1. December 2021 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

9.2. 2021/22 Mid-Year Report

The Business Snapshot report generated by Xero provides an overview of the period July to December 2021. Comments from the committee will be discussed, including:

- Budget review
- Inclusion of staff leave accruals to the budget and expenses

Notes & Actions

- There is a difference between the CBA liabilities and the cash flow. This is because the main credit card account is reconciled several days prior to the end of the month. Any individual card expenditure made after this date, and before the last day of the month, appears as a liability against the individual card.
- Creditors amounts sitting in >90 days. Investigate and clear out where possible.
- Grant GST component. Investigate and identify if the GST is still to be paid to the supplier or if the full invoice has been settled and this amount is left over.
- Majority of the grants will be fully expended this year.
- Several new grants have come in recently that are not yet showing in this report:
 - Alcohol & Other Drugs Youth Program \$20,000
 - International Women's Day \$1,500

Resolution No: 2021/024

That the Audit Committee accepts the Financial Reports provided for December 2021.

Moved: Maureen Newman

Seconded: Cr Michael Vaughan

Vote: AIF

10. General Business

10.1. Schedule for End of Financial Year 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
2022-23 Shire Plan - Draft		March	
2022-23 Shire Plan - Final	May	May-June	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. The table below shows the tender status (not overall project status).

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 and deliver a Waste Management Strategy	WaRM #1 (NTG)	Dec-Jan 2022	In progress	\$ 75,000
Repurpose existing caretaker compound into a ReDiscovery Centre for recycling, second-hand goods and community trade.	WaRM #2 (NTG)	Jan-Jun 2022	In progress	\$ 75,000
Auditors 2022-2025	Operational	March-April	In progress	\$75,000

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 10 May 2022.

The A/Chair declared the meeting closed at 10.28am.