



WAGAIT SHIRE COUNCIL

**MINUTES
AUDIT COMMITTEE MEETING**

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

Tuesday 1 November 2022

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1. Present

Committee members:

Chair Clare Milikins
Member Shelley Hewitt
Maureen Newman
President Neil White

Council staff:

CEO, Renita Glencross
Policy Officer, Fiona Carter
Finance Officer, Hanna Park

2. Opening of Meeting

The Chair declares the meeting open at 9.36 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 Chair advises that there are no apologies for this meeting.
Cr Michael Vaughan is not a registered apology and is not present at the opening of the meeting.
Meeting to begin without the presence of Cr Michael Vaughan and his attendance noted on arrival.

3. Conflict of Interest

NIL

4. Movement of Confidential Items

The Chair asks if there are items on the Agenda to move into Confidential?
The Chair asks if there are Confidential items to move to an open meeting? Nil

5. Confidential Items

NIL

6. Confirmation of Previous Minutes for the Audit Committee

The draft Minutes of the Audit Committee Meeting held Tuesday 30 August 2022 are included as an attachment to the agenda.

Resolution No. 2022/175

That the Minutes of the Audit Committee Meeting of Tuesday 30 August 2022 be confirmed by Committee Members as a true and correct record.

Moved: Maureen Newman

Seconded: President Neil White

Vote: AIF

7. Matters Arising from the Previous Minutes - Nil

8. Action Sheet

Audit Committee Resolution Ref		Resolution	Meeting Date	Status
1	None	Half-Yearly Budget Report. The committee requested: 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 b) A report on current grants and their status at its next meeting.	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. CEO and Chair to work together to refine the reporting and to bring back a more useful report to the next Committee 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.
			07/06/2022	The Business Snapshot has been updated within the capacity of the software program. Council may need to seek alternative app or design options. Chair suggested several add-on programs to Xero which would allow more flexibility in reporting. These include Calxa (highly recommended), Spotlight Reporting, Futrli, and Fathom.
			24/08/2022	Finance Officer is reviewing options suggested by the committee and will provide advice back to CEO.
2.	None	Change to Meeting Structure In-Camera Items	07/06/2022	The new Act requires a decision to be made by committee members at the beginning of the meeting as to whether there are Agenda items to be moved into or out of In Camera; follow up with LG Unit in DCMC regarding LG Act reference. Also refer other council minutes for wording.
			1/11/2022	Action completed. Request to remove from Action list.

3.	2022/100	Ongoing Policy Development	07/06/2022	Policy amendments noted and highlighted at 8.1 of minutes.
			24/08/2022	Policy amendments finalised and presented to council at meetings in July and August; passed by resolutions 2022/114 and 2022/126 respectively.
4.	None	Annual Shire Plan and Budget	07/06/2022	Annual Shire Plan and Budget approved by council resolution 2022/088 in May 2022. References across the document need to be checked and make sure they match.
			1/11/2022	Action completed. Request to remove from Action list.
5.	None	Monthly Reporting	07/06/2022	Place advance grants payment in liabilities prior to EoFY and ensure the grant is clearly tagged to expenditure in next year (eg. salaries); draw this grant down monthly.
			24/08/2022	Action completed. Request to remove from Action list.
6.	2022/135	Draft Financial Statement	30/08/2022	<p>Follow up with auditor required for:</p> <ul style="list-style-type: none"> • Missing grant (International Women’s Day) \$1500 • Draft document to be clearly marked as DRAFT (watermark) • Surplus has been queried and we need to make sure we understand what the surplus relates to; and if related to capitalisation of assets, that council consider moving some of the surplus to the asset replacement reserve by council resolution. • Ensure that no prepaid grants are showing in income (are instead on the balance sheet as a liability). If any prepaid grants have been included as income they be moved to a specially tagged reserve. • Make sure we are compliant around the general regulation re: disclosing CEO remuneration (note 13)
			1/11/2022	Action completed. Request to remove from Action list.

Resolution No. 2022/176

That the Audit Committee accept items 2, 3, 4 5, and 6 as complete and to be moved to the completed list.

Moved: President Neil White

Seconded: Maureen Newman

Vote: AIF

8. Agenda Items

8.1. Risk Management

The audited annual financial statements ending 30 June 2022 were accepted at the October meeting of Council by resolution 2022/168.

Resolution No. 2022/177

Subject to the auditor's management letter being circulated and discussed at the next meeting, that the Audit Committee note the final audited financial statements for 2021-22 have been accepted by council.

Moved: Shelley Hewitt

Seconded: Maureen Newman

Vote: AIF

9. Financial Reports

9.1. September 2022 Reports

- Accrual Income and Expenditure Report for September 2022
- Balance Sheet including Financial Report and Notes for September 2022
- Statement of Cash Flows for September 2022
- Special Purpose Grants Report for September 2022
- Revised Budget for Q1

Following the October council meeting, depreciation will be shown separately in future reports.

Financial reporting needs to be compliant with the regulations under the Local Government Act 2019. Management should check again the requirements for financial reporting to meet the regulations as this is the first year the new reporting must comply.

The CEO credit card expenditure must be identified and reported on separately.

Rates system is Councilwise.

Shelley has identified a \$437 discrepancy. The Finance Officer will investigate and provide detail on this in notes in future reports.

Current outstanding of \$166,025.69 is detailed at note 3 on the balance sheet.

Finance Officer to check the phasing of the budget.

Balance Sheet – changes to reserves in response to council request. A new reserve will be allocated to roads. Also a new bank account has been set up for Special Grants (restricted funds).

There is no amount committed to make good of waste management facilities as Wagait Shire Council does not have any official waste management facilities. A waste management strategy has recently been completed for Wagait Shire and Belyuen.

Super payable and Super payable control account are out of balance as a result of a double payment to an individual staff member. This should now be written off.

9.2 Budget Review Q1 2022-23

CEO approached council to accept a revised budget after Q1 in order to be more accurate with the rates figures (to match the advertised rates) and to reflect changes in income and expenditure since May when the budget was initially formulated.

Consideration needs to be made to workers compensation coverage for the council members as some are not accepting payment of their allowance.

Resolution No: 2022/178

That the Audit Committee notes the Financial Reports provided for September, that management investigates the reporting compliance regulations and reports back to the audit committee at the next meeting, and that the audit committee notes the budget review for Q1 2022-23.

Moved: President Neil White

Seconded: Maureen Newman

Vote: AIF

10. General Business

10.1. Risk Management Workshop

At the Audit Committee meeting in May, the committee recommended that council members and staff undertake a risk workshop, provided by JLT. The date for staff workshop has been confirmed for Tuesday 8 November 2022, with a council presentation to follow at the meeting on Tuesday 15 November 2022.

10.2. Schedule of Financial Statutory Responsibilities

The schedule of Local Government compliance responsibilities is provided below, which Council has now completed.

Item	Audit Committee	Council Meeting	NTG Due Date
2022 Financial Audit - Draft	August	September	-
2022 Annual Report - Draft	September	September	-
Adopt 2022 Financial Audit	October	October	15 November
Adopt 2022 Annual Report	October	October	15 November
Q1 Budget Review	-	October	30 December

10.3. Current Tenders and Procurement Update

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
Repurpose existing caretaker compound into a centre for recycling, second-hand goods and community trade.	WaRM-2(NTG)	Oct-Dec 2022	In progress	\$ 75,000

10.4. Meeting Schedule for 2023

JANUARY	FEBRUARY	MARCH	APRIL
Emergency Committee 11 January 2023 (Audit Committee 14 February 2023	Emergency Committee 15 March 2023	Community Consultation 15 April 2023
Ordinary Council Meeting 17 January 2023	Ordinary Council Meeting 21 February 2023	Ordinary Council Meeting 21 March 2023	Ordinary Council Meeting 18 April 2023
MAY	JUNE	JULY	AUGUST
Audit Committee 09 May 2023	Emergency Committee 08 June 2023		Audit Committee 08 August 2023
Ordinary Council Meeting 16 May 2023	Council Meeting 20 June 2023	Ordinary Council Meeting 18 July 2023	Ordinary Council Meeting 15 August 2023
SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER
Emergency Committee 13 September 2023	Audit Committee 10 October 2023	Community Consultation 11 November 2023	Emergency Committee 13 December 2023
Ordinary Council Meeting 19 September 2023	Ordinary Council Meeting 17 October 2023	Ordinary Council Meeting 21 November 2023	Ordinary Council Meeting 19 December 2023

Date for August audit committee meeting may be too early to consider the 2022/23 Draft Financial Statements as they may not have been completed by this date. The meeting date may need to be adjusted.

Audit Committee Terms of Reference

This will be included on the next agenda. Management will refer the current Terms of Reference to the Local Government Act 2019 and ensure changes are recommended to meet new compliance measures. This includes the integrity of financial management systems.

Chair Clare Milikins recommends a work plan be developed to align meetings with the Terms of Reference requirements/activities.

This will be added as a new item to the Action Sheet.

The audit committee noted its Terms of Reference need to be reviewed in order to comply to the new legislation and requested a work plan be developed.

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, 14 February 2022.

The Chair declared the meeting closed at 10.25 am.