

SHIRE OF KOJONUP

Kojonup



Audit Committee

20 March 2018

MINUTES

TERMS OF REFERENCE

AUDIT COMMITTEE

Summary

Established under *Section 7.1 of the Local Government Act 1995* (every local government must have an Audit Committee)

Terms of Reference

The duties and responsibilities of the Committee are:

- a) Provide guidance and assistance to the Council as to carrying out the functions of the Local Government in relation to audits;
- b) Develop and recommend to Council an appropriate process for the selection and appointment of a person as the Shire's Auditor;
- c) Develop and recommend to Council:
 - a list of those matters to be audited; and
 - the scope of the Audit to be undertaken;
- d) Recommend to the Council the person or persons to be appointed as Auditor;
- e) Develop and recommend to the Council a written agreement for the appointment of the Auditor;
- f) Meet with the auditor once in each year and provide a report to the Council on the matters discussed and outcome of those discussions;
- g) Liaise with the Chief Executive Officer (CEO) to ensure that the Shire does everything in its power to:
 - assist the Auditor to conduct the Audit and carry out his or her other duties under the *Local Government Act 1995*; and
 - ensure that audits are conducted successfully and expeditiously;
- h) Examine the reports of the Auditor after receiving a report from the CEO on the matters and:
 - determine if any matters raised require action to be taken by the Shire; and
 - ensure that appropriate action is taken in respect of those matters;
- i) Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the Auditor and presenting the report to the Council for adoption prior to the end of the next financial year (or 6 months after the last report prepared by the Auditor is received, whichever is the latest);
- j) Review the scope of the Audit Plan and Programme and its effectiveness;
- k) Consider and recommend adoption of the Annual Financial Report to the Council;
- l) Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference;
- m) Seek information or obtain expert advice through the CEO on matters of concern within the scope of the Committee's terms of reference following authorisation from the Council; and
- n) Review the Statutory Compliance Return and make a recommendation on its adoption to Council.

Membership

Committee of six (6):

- Four (4) Councillors; and
- Two (2) Community Members.

MINUTES FOR THE AUDIT COMMITTEE MEETING
TO BE HELD ON 20 MARCH 2018

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MINUTES

1 **DECLARATION OF OPENING AND ANNOUNCEMENT OF GUESTS**

The Presiding Member, Cr J Mathwin, declared the meeting open at 9.00am and alerted the meeting of the procedures for emergencies including evacuation, designated exits and muster points.

2 **ATTENDANCE, APOLOGIES & LEAVE OF ABSENCE**

MEMBERS

Cr Jill Mathwin	Presiding Member
Cr Graeme Hobbs	
Cr Judith Warland	
Mr James Hope	
Mr Roger House	

STAFF (OBSERVERS)

Mr Anthony Middleton	Manager of Corporate Services
Mrs Heather Marland	Senior Finance Officer (Observer)

APOLOGIES

Cr John Benn

3 **PUBLIC QUESTION TIME**

Nil.

4 **SUMMARY OF RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE**

Nil

5 **APPLICATIONS FOR LEAVE OF ABSENCE**

(The next ordinary meeting is scheduled for Tuesday, 1 May 2018 at 9:00am.)
Nil.

6 **CONFIRMATION OF MINUTES**

AUDIT COMMITTEE MEETING held 20 February 2018

OFFICER RECOMMENDATION/COMMITTEE DECISION

Moved James Hope, seconded Cr Graeme Hobbs that the minutes of the Audit Committee Meeting held on 20 February 2018 be confirmed as a true and accurate record.

CARRIED 5/0

7 **DECLARATIONS OF INTEREST**

Nil

8 REPORTS

8.1 STATUS REPORTS

8.1.1 COMMITTEE STATUS REPORT

Date	Item Number & Title	Issue	Response	Status
31 July 2017	11. Other items for Discussion	Questioned costs incurred when fires get out of Control out of the prohibited and restricted burning period	This item was discussed by the Committee and resolved.	Completed
20 February 2018	10.7 Leave Provision – Adequacy – Annual Update	The Manager Corporate Services be requested to provide further breakdown on the long service leave liability with respect to when the liability will be incurred	The amount shown is the CURRENT portion of LSL. Current, meaning that LSL that could be due to be paid in the next 12 month period. As such, this applies to all LSL accrued following 7 or more years' service.	Completed, subject to follow up questions from the Committee.
20 February 2018	11.1 Other items for Discussion – The Kodja Place	That the Audit Committee seek the following information in regards to The Kodja Place: 1. An update on the current financial situation; 2. The contents of the Master Plan and what is the medium to long term plan, including any exit strategy if The Kodja Place is seen as unviable; and 3. An assessment of the risks involved.	Refer to information provided in this agenda.	Completed, subject to follow up questions from the Committee.

8.2 ANNUAL FINANCIAL REPORT – 2016/2017

AUTHOR	Anthony Middleton – Manager Corporate Services
DATE	Thursday, 15 March 2018
FILE NO	FM.AUD.2 & FM.FNR.1
ATTACHMENT(S)	8.2.1 Financial Report for the year ending 30 June 2017 8.2.2 Audit Management Letter

STRATEGIC/CORPORATE IMPLICATIONS		
Community Strategic Plan 2017 – 2027 “Smart Possibilities – Kojonup 2027+”		Corporate Business Plan 2017 – 2021 “Smart Implementation – Kojonup 2021 +”
Key Pillar	Community Outcomes	Corporate Actions
KP – 3 Performance	3.4 – Be organised and transparent with our financial management.	3.4.2 – Act with sound long-term and transparent financial management and deliver residents considered value for money.

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to:

- Consider the 2016/2017 Annual Financial Report (including Audit report) and make recommendation to the Council; and
- To consider the matters raised in the Auditor’s Management Letter.

BACKGROUND

A local government is to prepare an annual report for each financial year. The report is a record of the Shire’s activities for the financial year and is part of the accountability principles established for local government.

COMMENT

It is envisaged that the Auditors Report and management letter will be received on Friday 16 March and will be circulated to the Committee as soon as possible. Further comments will be made on matters raised by the Auditor at this time.

CONSULTATION

Auditors

STATUTORY REQUIREMENTS

Section 5.26 to 5.33; 5.53 & 5.54 - Local Government Act 1995

Regulation 51(2) of the Local Government (Financial Management) Regulations 1996

POLICY IMPLICATIONS

There are no policy implications for this report.

FINANCIAL IMPLICATIONS

This item reports on the financial position of the Shire as at 30 June 2017. The recommendation does not in itself have a financial implication.

RISK MANAGEMENT IMPLICATIONS

There are no risk management implications for this report.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications for this report.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/COMMITTEE DECISION

Moved Cr J Warland, seconded James Hope that:

- 1. It be recommended to the Council that the 2016/2017 Annual Financial Report be adopted; and**
- 2. The matters raised in the Auditors Management Letter be noted and included in the Committee Status Report of future Audit Committee Agendas.**

Carried 5/0

8.3 THE KODJA PLACE - UPDATE

At its meeting held on 20 February 2018, the Committee resolved as follows:

“that the Audit Committee seek the following information in regards to The Kodja Place:

- 1. An update on the current financial situation;**
- 2. The contents of the Master Plan and what is the medium to long term plan, including any exit strategy if The Kodja Place is seen as unviable; and**
- 3. An assessment of the risks involved.”**

The following documents are attached for the information of the Committee:

- Extract from the February 2018 Monthly Financial Statements showing the current financial operating results of The Kodja Place;
- A copy of The Kodja Place Master Plan, adopted by the Council in 2017; and
- An extract of the Shire’s risk register that relates to The Kodja Place.

Questions such as *“what is the medium to long term plan, including any exit strategy if The Kodja Place is seen as unviable”* can only be answered by the Council and may therefore require additional consideration by the Committee.

AUDIT COMMITTEE DECISION

Moved Cr J Mathwin, seconded James Hope that it be recommended to the Council to hold a community information meeting to discuss the future of The Kodja Place going forward, with agenda items to be invited from the community and submitted to the Council prior to the meeting.

Carried 5/0

9 **OTHER ITEMS FOR DISCUSSION OR FURTHER RESEARCH AS RAISED BY MEMBERS**

Cr G Hobbs raised concern about the fire on 17th March which was performed under permit but got out of control. Roger House advised the issue is being discussed between the Zulus.

10 **NEXT MEETING**

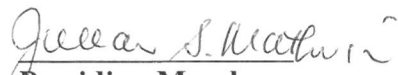
The next ordinary meeting is scheduled for Tuesday, 1 May 2018 at 9:00am.

11 **CLOSURE**

There being no further business to discuss, the Chairman Cr J Mathwin thanked members for their attendance and declared the meeting closed at 10.27am.

12 ATTACHMENTS (SEPARATE)

- 8.2.1 Financial Report for the year ending 30 June 2017
- 8.2.2 Audit Management Letter
- 8.3.1 The Kodja Place extract from the February 2018 Monthly Financial Statements
- 8.3.2 The Kodja Place Master Plan
- 8.3.3 The Kodja Place extract from the Shire's Risk Register.


Presiding Member

15 MAY 2018
Date