



Minutes
Audit Committee Meeting

Thursday
14 December 2017

TABLE OF CONTENTS

PAGE No.	AGENDA	ITEM	MINUTE No.
2	1.0	Declaration of Opening / Announcement of Visitors	
2	2.0	Announcements From The Presiding Member	
2	3.0	Attendance	
2	4.0	Applications For Leave Of Absence	
2	5.0	Declarations of Interest	
3	6.0	Public Question Time	
3	7.0	Confirmation of Minutes from Previous Meeting - 27 April 2017	AC01 - 17
3	8.0	Presentations	
4	9.0	Officers Reports	
4	9.1	Chief Executive Officer's Reports	
4	9.1.1	Receive the 2017 Annual Financial Report	AC02 - 17
6	10	Motions of Which Previous Notice Has Been Given	
6	11	Questions From Members Without Notice	
6	12	New Business of an Urgent Nature Introduced by Decision of the Meeting	
6	13	Meeting Closed to the Public	
6		Time and Date of Next Meeting	
6	14	Closure of the Meeting	
6		Certification of the Minutes	

**SHIRE OF SANDSTONE
AUDIT COMMITTEE MEETING
HELD IN THE COUNCIL CHAMBERS, SANDSTONE,
ON THURSDAY 14 DECEMBER 2017**

1.0 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Presiding Member, Cr Bethel Walton declared the meeting open at 12.00pm.

VISITORS

Nil

2.0 ANNOUNCEMENTS FROM THE PRESIDING MEMBER

Nil

3.0 ATTENDANCE

3.1 PRESENT

Cr B Walton	Shire President	Presiding Member
Cr C Hodshon	Deputy President	Committee Member
Cr D Lefroy	Councillor	Committee Member
Cr F May	Councillor	Committee Member
Cr D Murat	Councillor	Committee Member
Cr V McQuie	Councillor	Committee Member

3.2 STAFF ATTENDING

Mr Harry Hawkins Chief Executive Officer

3.3 APOLOGIES

3.4 APPROVED LEAVE OF ABSENCE

Nil

4.0 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

5.0 DECLARATION OF INTEREST

Nil

6.0 PUBLIC QUESTION TIME

6.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

6.2 PUBLIC QUESTIONS WITHOUT NOTICE

7.0 CONFIRMATION OF PREVIOUS MEETING MINUTES

Officer Recommendation

Moved Cr May
Seconded Cr Lefroy

That the minutes of the Audit Committee Meeting held on 27 April 2017 are confirmed as a true and accurate record of proceedings

CARRIED (6/0)

8.0 PRESENTATIONS

8.1 PETITIONS

Nil

8.2 PRESENTATIONS

Nil

8.3 DEPUTATIONS

Nil

8.4 DELEGATES REPORTS

Nil

9.0 OFFICERS REPORTS

9.1 CHIEF EXECUTIVE OFFICER'S REPORTS

9.1.1 Audited Annual Financial Report

Agenda Reference:	FIN 12/17 - 01
Location/Address:	Shire of Sandstone
Name of Applicant:	Chief Executive Officer
Disclosure of Interest:	Nil
Date of Report:	29 November 2017
File No:	
Previous References:	
Author:	Harry Hawkins CEO

Summary

The Audit Committee is asked to review the Audited Annual Financial Report for the year ended 30 June 2017 and recommend to Council that it is received.

Attachments

2017 Annual Financial Report including Audit Report and Management Letter.

Background

A local government is to receive its annual financial report from its auditor by the 31st December each year and then within 30 days of its receipt the Annual Financial Report of a Local Government is to be presented to the Audit Committee for review and recommendation to Council to receive it.

Comment

The audit report for the financial report for the year ended 30 June 2017 is a clean report with no items of non compliance or concern raised by the auditor.

The management letter does contain several issues some of which were raised last year and have not been resolved for various reasons and they are as follows.

1. Non-compliance with purchasing policy (No purchase order for some invoices) – I have spoken to the Finance Officer and this seems to mainly be items that are on a recurring order basis i.e. computer support, printer metered charges etc. There are other instances but these are rare and staff will be chased up for purchase orders when this occurs.
2. Bank Reconciliations (No evidence of independent review) – This was followed up with Lenin at IT Vision and improved for a short time and lapsed towards the end of last year. The Finance Officer and I held a teleconference with the new person doing our work at IT Vision and have hopefully resolved this.
3. Overhead Allocation (Overhead allocations not correct) – There has been some confusion about whose responsibility this was and during the

teleconference with IT Vision a system was discussed which should correct this issue.

There were other issues raised that were identified during this years audit and they were as follows.

- a. Review and Maintenance of supporting documentation for general ledger journal entries. – General ledger journals are month end or year end entries usually to correct posting errors. These have not been reviewed by management prior to posting however a system has now been put in place to ensure that this happens.
- b. Reconciliation of Fixed Assets – Periodic reconciliation of the fixed asset register has not been documented in the past as there are not a lot of transactions affecting the asset register and reconciliations have only been done annually. A system has been put in place for these to be done monthly or at least quarterly.
- c. Ratio Benchmarks – The only ratio that has not met the benchmark for 2017 is that of own source revenue coverage and this is being distorted by significant flood damage claims. This issue will be discussed with Moore Stephens in relation to annual budgets and the Long Term Financial Plan.
- d. Failure to complete Related Party Disclosure Declaration forms – This is a new requirement and I was not aware of the need for declarations until after the end of the financial year when Moore Stephens asked me for the disclosure figures. Declarations will be completed in future for all transactions with related parties.

Consultation

RSM

Moore Stephens

IT Vision

Statutory Environment

Local Government Act 1995

Local Government Financial Management Regulations 1997

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

Nil

Voting Requirements

Simple Majority

Officer Recommendation

Moved Cr Lefroy

Seconded Cr Hodshon

That the Audit Committee advises Council it has reviewed the Annual Financial Report including the auditors report and management letter and recommend that it be received by Council.

CARRIED (6/0)

10. MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

11. QUESTIONS FROM MEMBERS WITHOUT NOTICE

Nil

12. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

Nil

13. MEETING CLOSED TO THE PUBLIC

13.1 MEETING CLOSED TO THE PUBLIC

13.2 PUBLIC READING OF RESOLUTIONS THAT MAY BE MADE TO THE PUBLIC

TIME AND DATE OF NEXT MEETING

Meetings will be called as required.

14 CLOSURE OF MEETING

There being no further business, the Presiding member closed the meeting at 12.25 PM

CERTIFICATION

I, Cr Beth Walton, certify that the minutes of the Audit Committee meeting held on the 27 April 2017 as shown were confirmed as a true record at the meeting held on the 14 December 2017.

Presiding Member

Date: _____