



MINUTES

AUDIT COMMITTEE MEETING

THURSDAY 30TH OCTOBER, 2014

2.00PM

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A handwritten signature in black ink, appearing to read 'Leigh Ashford', written in a cursive style.

Signed: Leigh Ashford Chief Executive Officer

AGENDA

INTERNAL AUDIT COMMITTEE

TO BE HELD IN THE COUNCIL CHAMBERS, BATCHELOR

ON THURSDAY 30TH OCTOBER, 2014 AT 2.00PM

The Chairperson Mr Russell Anderson declared the meeting open at 2.00pm and welcomed all in attendance.

1 PERSONS PRESENT

MEMBERS PRESENT

Chairperson	Mr Russell Anderson
Councillor	President Andrew Turner
Councillor	Sue Bulmer
Chief Executive Officer	Leigh Ashford
Finance Manager	Melissa Kerr

2 APOLOGIES AND LEAVE OF ABSENCE

Applicant:	N/A
Location/Address:	N/A
File Ref:	N/A
Disclosure of Interest:	Nil
Date:	16 th October, 2014
Author:	Leigh Ashford, Chief Executive Officer
Attachments:	Nil

SUMMARY

This report is to table any apologies and requests for leave of absence received from Members of the Audit Committee Meeting held 30th October, 2014.

BACKGROUND

Not applicable.

COMMENT

The committee can choose to accept the apologies or requests for leave of absence as presented, or not accept them. Apologies or requests for leave of absence that are not accepted by Council will be recorded as absence without notice.

CONSULTATION

Not applicable.

STATUTORY ENVIRONMENT

Not applicable.

POLICY IMPLICATIONS

Not applicable.

FINANCIAL IMPLICATIONS

Not applicable.

VOTING REQUIREMENT

Simple majority

NOTE

No apologies and leave of absence were received for the Audit Committee Meeting held on 30 October 2014.

3 DECLARATION OF INTEREST OF MEMBERS

Applicant:	N/A
Location/Address:	N/A
File Ref:	N/A
Disclosure of Interest:	Nil
Date:	16 th October, 2014
Author:	Leigh Ashford, Chief Executive Officer
Attachments:	Nil

SUMMARY

Members are required to disclose an interest in a matter under consideration by the Committee at a meeting of a committee by:

- 1) In the case of a matter featured in an officer's report or written agenda item by disclosing the interest to the Council by disclosure as soon as possible after the matter is raised.
- 2) In the case of a matter raised in general debate or by any means other than the printed agenda of the Committee by disclosure as soon as possible after the matter is raised. Under disclosure, the Member must abide by the decision of Committee on whether he/ she shall remain in the meeting and/ or take part in the vote on the issue. The committee may elect to allow the Member to provide further and better particulars of the interest prior to requesting him/ her to leave the Chambers.

BACKGROUND

Not applicable.

COMMENT

Not applicable.

CONSULTATION

Not applicable.

STATUTORY ENVIRONMENT

Not Applicable

POLICY IMPLICATIONS

Conflict of Interest – Code of Conduct.

FINANCIAL IMPLICATIONS

Not applicable.

VOTING REQUIREMENT

Simple majority

NOTE

No declarations of Interest were received for the Audit Committee meeting held on 30th October 2014.

4 CONFIRMATION OF MINUTES

Location/Address:	N/A
File Ref:	N/A
Disclosure of Interest:	Nil
Date:	16 th October, 2014O
Author:	Leigh Ashford, Chief Executive Officer
Attachments:	

SUMMARY

As this is the initial meeting there are no previous minutes to confirm.

BACKGROUND

Not applicable.

COMMENT

Not applicable.

CONSULTATION

Not applicable.

STATUTORY ENVIRONMENT

Nil

POLICY IMPLICATIONS

Not applicable.

FINANCIAL IMPLICATIONS

Not applicable.

VOTING REQUIREMENT

Simple majority

NOTE

No Minutes to Confirm

4.1 TERMS OF REFERENCE

Applicant:	N/A
Location/Address:	N/A
File Ref:	N/A
Disclosure of Interest:	Nil
Date:	16 th October, 2014
Author:	Leigh Ashford, Chief Executive Officer
Attachments:	Terms of Reference

SUMMARY

Council adopted the Terms of Reference for the Audit committee at its meeting of 12th August 2014. The Audit Committee may wish to review the Terms of Reference.

BACKGROUND

Nil

COMMENT

The Terms of Reference are provided to give guidance to the Audit Committee.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

The Local Government (Accounting) Regulations 10(2) (b) requires Council to establish and maintain an Audit Committee.

10 Internal controls

(1) The CEO must establish and maintain internal controls to:

- (a) safeguard the assets of the council; and
- (b) ensure the accuracy, completeness and reliability of the accounting data; and
- (c) promote the operational efficiency of the council; and
- (d) ensure compliance with relevant laws in force in the Territory; and
- (e) ensure adherence to council policies.

(2) The internal controls for safeguarding the assets of the council include the following:

- (a) the establishment and maintenance of a plan (a ***fraud protection plan***) to detect and prevent fraud from within and outside the council;
- (b) the establishment and maintenance of an **audit committee** to monitor:
 - (i) compliance by the council with proper standards of financial management; and
 - (ii) compliance by the council with these regulations and the Accounting Standards.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENT

Simple majority

RESOLUTION 30/10/2014/01

That the Audit Committee recommend the following change to Item 4 - Members and Tenure, bullet point 5.

The Council shall appoint a chairperson from the committee nominees and who is neither a councillor nor a staff member, and should have local government and accounting experience.

Moved: Clr. Turner

Seconded: Clr. Bulmer

4.2 TIMING AND AGENDA ITEMS

Applicant:

Location/Address: N/A

File Ref:

Disclosure of Interest: Nil

Date: 16th October, 2014

Author: Leigh Ashford, Chief Executive Officer

Attachments:

SUMMARY

The Committee should look at the items it wishes to review on a regular and irregular basis. The discussion of these items needs to take into account in presentation to council.

The Terms of Reference suggest that there should be 4 meetings per year.

BACKGROUND

Nil

COMMENT

The regular items to be discussed at the meetings include the quarterly review of the budget to actual figures and a review of the draft Annual Report and Audited Financial Statements and the Audit Opinion.

Irregular items could include;

- Review of the financial policies as they become due
- Recommendations on inclusion of new policies
- Compliance with policies
- Fraud prevention
- Financial Risk Management

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Nil

POLICY IMPLICATIONS

Nil

VOTING REQUIREMENT

Simple majority

NOTE

Members agreed that there should be a meeting in early February, mid May and early October each year. The time and date to be set at the prior meeting.

4.3 QUARTERLY REVIEW OF THE BUDGET

Applicant:	N/A
Location/Address:	N/A
File Ref:	N/A
Disclosure of Interest:	Nil
Date:	16 th October, 2014
Author:	Leigh Ashford, Chief Executive Officer
Attachments:	Nil

SUMMARY

As part of the quarterly reporting procedures a detailed financial summary report is submitted to Council each quarter.

BACKGROUND

Attached is a detailed financial summary report to 30th September 2014.

COMMENT

No additional comments are provided to this report.

CONSULTATION

There is no consultation that applies to this report.

STATUTORY ENVIRONMENT

Section 18 of the Local Government Accounting Regulations 2008 Financial reports to council –

(1) The CEO must, in each month, lay before a meeting of the council a report, in a form approved by the council, setting out:

(a) the actual income and expenditure of the council for the period from the commencement of the financial year up to the end of the previous month; and

(b) the forecast income and expenditure for the whole of the financial year.

(2) The report must include:

(a) details of all cash and investments held by the council (including money held in trust); and

(b) a statement on the debts owed to the council including the aggregate amount owed under each category with a general indication of the age of the debts; and

(c) other information required by the council.

POLICY IMPLICATIONS

There are no specific policies that apply to this report.

VOTING REQUIREMENT

Simple majority

RESOLUTION 30/10/2014/02

That the Audit Committee notes and accepts the quarterly detailed financial summary report at 30th September 2014.

Moved: Clr. Turner

Seconded: Clr. Bulmer

4.4 ANNUAL REPORT AND AUDITED FINANCIAL STATEMENTS

Applicant: N/A

Location/Address: N/A

File Ref: N/A

Disclosure of Interest: Nil

Date: 16th October, 2014

Author: Melissa Kerr, Finance Manager

Attachments: Annual Report and Audited Financial Statements 2013/14

SUMMARY

The annual report and audited financial statements for Council are complete. The annual audit was completed with an unqualified audit report.

BACKGROUND

Council's financial statements are audited every year. The audited financial statements and annual report are due to the Dept of Local Government and Regions by 15th November each year.

COMMENT

No additional comments are provided to this report.

CONSULTATION

There is no consultation that applies to this report.

STATUTORY ENVIRONMENT

131 Annual financial statement

- (1) A council must prepare a financial statement for each financial year.
- (2) The annual financial statement must give a true and fair view of:
 - (a) the council's revenue and expenditure for the financial year; and
 - (b) the council's assets and liabilities as at the end of the financial year.
- (3) The annual financial statement must conform with the accounting standards and other requirements stipulated in the regulations and any guidelines that the Minister may make.

132 Reference of annual financial statement for audit

The annual financial statement must be prepared, and referred to the council's auditor for audit:

- (a) as soon as reasonably practicable after the end of the relevant financial year; and
- (b) in any event, in time to ensure that the audited statement will be available no later than 15 November in the calendar year in which the financial year ends.

POLICY IMPLICATIONS

Nil

VOTING REQUIREMENT

Simple majority

RESOLUTION 30/10/2014/003

The Audit Committee receive and note the annual report and audited financial statements for 2013/14 year and forward to the Department of Local Government and Regions.

Moved: Clr. Turner

Seconded: Clr. Bulmer

5 GENERAL BUSINESS

There was no General Business.

6 CONFIDENTIAL ITEMS

There was no confidential items.

7 NEXT MEETING

The next Audit Committee meeting be held at Batchelor on **TUESDAY 3rd FEBRUARY 2015 at 9.00am**

Meeting Closed at 2.45pm