



Shire of Tammin

1 Donnan Street, Tammin
PO Box 53, Tammin WA 6409
Telephone: 9637 0300 Facsimile: 9637 1117
Email: shire@tammin.wa.gov.au

UNCONFIRMED MINUTES

Audit Committee meeting of the Shire of Tammin held on Tuesday 19th December, 2017 in Council Chambers at 1 Donnan Street, Tammin.

CHARTER

The role of the Audit Committee is to provide an independent oversight of the financial systems of a local government on behalf of Council. The Council (unless delegated to the Audit Committee) is required to meet a minimum of once per year with the auditor (which may be by video or telephone).

Members of the Audit Committee are Councillors M. Greenwood, D. Thomson, N. Caffell and G Batchelor. Please note that other members of Council are welcome to attend.

ORDER OF BUSINESS & TABLE OF CONTENTS

1. Declaration of opening
2. Record of attendance
3. Response to Previous Questions taken on Notice
4. Public Question Time
5. Declarations of Interest
6. Confirmation of previous minutes
7. Agenda Items
- 7.1 Annual Audit Report
8. Closure of meeting

1. DECLARATION OF OPENING

The President declared the meeting open at 3:22pm.

2. RECORD OF ATTENDANCE

Attendance:

Cr M Greenwood	Shire President
Cr D Thomson	Deputy President
Cr G Batchelor	Member
Cr N Caffell	Member
Stephen Tindale	Acting Chief Executive Officer
Kelsey Pryer	Manager Finance & Administration
Greg Stephens	Manager Works & Services

Leave of Absence:

Apologies:

Cr C Crane	Observer
Cr T Daniels	Observer

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

4. PUBLIC QUESTION TIME

Nil

5. DECLARATIONS OF INTEREST

Nil

6. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

Minutes of the previous Audit Committee meeting, held on 23rd March 2017 were included as an attachment to the agenda.

STATUTORY IMPLICATIONS

Section 5.22 (2) of the *Local Government Act 1995* Section 5.22 (2) requires minutes of all council and committee meetings to be submitted to the next meeting of the council or the committee, as the case requires, for confirmation.

MIN 113/17 MOTION:

That the minutes of the Audit Committee meeting held on 23rd March 2017 be confirmed.

Moved: Cr Thomson

Seconded: Cr Greenwood

Vote: Simple Majority

Carried: 4/0

7. AGENDA ITEMS

7.1 Annual Audit Report 2016/2017 Financial Year

Location:	Shire of Tammin
Applicant:	Acting Chief Executive Officer
Date:	12 Dec 2017
Author:	Stephen Tindale
Item Approved by:	Acting Chief Executive Officer
Disclosure of Interest:	Nil
File Reference:	Nil
Attachments:	7.1.1 - Financial Report 7.1.2 - Audit Report 7.1.3 - Management Letter

PROPOSAL / SUMMARY

The Audit Committee held a teleconference with Council's auditors, Anderson Munro & Wyllie, to discuss the 2016/17 Audit.

Following discussion with the auditors and any subsequent discussion, the Audit Committee was asked to recommend to Council:

1. The adoption of the 2016/17 Financial Report, and
2. The accompanying Audit Report and Management Letter.

BACKGROUND

Section 7.12A, clause 2, of the *Local Government Act 1995* requires that a local government is to meet with the auditor as least once in each financial year.

The 2016/17 Financial Report, Audit Report and Management Letter for the 2016/17 financial year have been circulated to all Council members.

The Audit Report notes the following areas of non-compliance with the *Local Government Act 1995*:-

1. Auditor's report for the financial year ended 30 June 2016 was not received by the local government by 31 December 2016 due to the financial report not being available.
2. The register of delegations kept by the CEO did not appear to include the delegation made to the Manager of Finance and Administration on 20 September 2016 or the delegation made to the Works Supervisor on 1 October 2015; and
3. Annual returns of three employees and one Councillor who had previously resigned and thus no longer required to lodge returns, had not been removed from the financial interests register as required.

The Management Letter makes a number of recommendations:-

1. All pensioner rebates to be recorded in a separate general ledger.
2. All provisions for leave include an amount for on-costs.
3. Care be taken prior to closing the accounts to ensure all liabilities are recorded at the end of each reporting period.
4. All cancelled receipts be authorised by a senior officer before the transaction is cancelled.

COMMENT

The auditors joined the meeting at 3.30pm via a telephone link up during the Audit Committee meeting.

In response to the three areas of non-compliance listed in the Audit Report the Acting CEO advises that:

1. It is understood that staff shortages and the adoption of new financial software delayed the preparation of the 2015/16 financial report and in turn, the auditor's report.
2. The register of delegations kept by the CEO has been updated. Closer attention will be paid to keeping the register up to date.
3. Closer attention will also be paid to keeping the financial interests register up to date.

The Acting CEO also advises that the four recommendations made in the Management Letter have all been implemented.

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government Act 1995

7.1A. Audit committee

- 1) *A local government is to establish an audit committee of 3 or more persons to exercise the powers and discharge the duties conferred on it.*
- 2) *The members of the audit committee of a local government are to be appointed* by the local government and at least 3 of the members, and the majority of the members, are to be council members.*
*** Absolute majority required.**
- 3) *A CEO is not to be a member of an audit committee and may not nominate a person to be a member of an audit committee or have a person to represent the CEO as a member of an audit committee.*
- 4) *An employee is not to be a member of an audit committee.*

7.1B. Delegation of some powers and duties to audit committees

- 1) *Despite section 5.16, the only powers and duties that a local government may delegate* to its audit committee are any of its powers and duties under this Part other than this power of delegation.*
***Absolute majority required.**
- 2) *A delegation to an audit committee is not subject to section 5.17.*

7.1C. Decisions of audit committees

Despite section 5.20, a decision of an audit committee is to be made by a simple majority.

7.12A. Duties of local government with respect to audits

- 1) *A local government is to do everything in its power to —*
 - a) *assist the auditor of the local government to conduct an audit and carry out his or her other duties under this Act in respect of the local government; and*
 - b) *ensure that audits are conducted successfully and expeditiously.*
- 2) *Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year*

Local Government (Audit) Regulations 1996

16. Audit committee, functions of

An audit committee —

- (a) is to provide guidance and assistance to the local government —
 - (i) as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*
 - (ii) as to the development of a process to be used to select and appoint a person to be an auditor; and**
- (b) may provide guidance and assistance to the local government as to —
 - (i) matters to be audited; and*
 - (ii) the scope of audits; and*
 - (iii) its functions under Part 6 of the Act; and*
 - (iv) the carrying out of its functions relating to other audits and other matters related to financial management; ...**

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

MIN 114/17 MOTION:

That the Audit Committee:

- 1. adopt the 2016/17 Financial Report,**
- 2. receive the Audit Report and Management Letter from Anderson Munro & Wyllie for the 2016/17 financial year,**
- 3. note the Acting CEO's responses to the three areas of non-compliance and four recommendations made by the auditor,**
- 4. recommend to Council the adoption of the:**
 - a) Financial Report, and**
 - b) Audit Report and Management Letter from Anderson Munro & Wyllie Partners for the 2016/17 financial year**

Moved: Cr Caffell

Seconded: Cr Batchelor

Simple Majority Required

Carried: 4/0

8. CLOSURE OF MEETING

There being no further business, the Shire President to declare the meeting closed at 3:52pm.