



## **Audit Committee**

### **MINUTES**

Held on the 19<sup>th</sup> July 2016 at 5:30pm in the  
Shire of Dundas Council Chambers

**Shire of Dundas****Audit Committee****Delegated Duties and Responsibilities**

The following duties and responsibilities are delegated to the Audit Committee by the Council at the Ordinary Meeting of the Council held on the 21<sup>st</sup> October 2014:-

1. Provide guidance and assistance to the Council in carrying out the functions of the Shire in relation to audits which includes risk management, internal controls and legislative compliance.
2. Develop and recommend to the Council an appropriate process for the selection and appointment of a person as the Shires auditor.
3. Develop and recommend to the Council a written format for the proposal to tender for the Shires audit. The proposal is to include –
  - the objectives of the audit;
  - the scope of the audit;
  - a plan of the audit;
  - details of the remuneration and expenses to be paid; and
  - the method of communication to be used between the auditor and the Shire.
- 4 Recommend to the Council the person or persons to be appointed as auditor.
- 5 Liaise with the 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.
- 6 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.
- 7 Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and present 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 in time.
- 8 Review the relevant audit process annually to ensure that it is effective and meets the objectives of the Shires “Internal Audit and Risk Management Policy”.
- 9 Oversee the Shires Risk Management Plan and
  - support the implementation of the risk management and culture development program throughout the Shire;
  - make recommendation of the risk tolerance level for the Council to consider and adopt as appropriate;
  - bring to the attention of the Council the high to extreme identified risks and their recommended treatment;
  - establish the risk management plan which is aligned with the strategic planning process; and
  - actively promote risk management throughout the Shire.
- 10 To meet with the auditor at least once in every year in accordance with Section 7.12A(2) of the Local Government Act 1995.

*Delegation reviewed and adopted without amendment at Ordinary Meeting of Council held 21<sup>ST</sup> October 2014*

**Minutes for the Audit Committee Meeting held on  
the 19<sup>th</sup> July 2016 in the Council Chamber, Shire  
of Dundas Administration Office, meeting  
commenced at 5:30pm.**

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**1 Declaration of Opening**

The Chairperson welcomed all those in attendance and declared the meeting open at 5:30pm.

**2 Declarations of Financial, Proximity and Impartiality Interests**

Nil

**3 Records of Attendance / Officers / Apologies*****Present:***

Cr J Best	Shire President
Cr LW Webb	Deputy Shire President
Cr JEP Hogan	
Cr YH Vicensoni	
Cr L Bonza	

D Stead	Chief Executive Officer
G Kohobange	Deputy Chief Executive Officer
S Ellison	Senior Administration Officer
J Fry	Manager of Works

***Apologies:***

Cr R Patupis

**4 Confirmation of Minutes of Previous Meeting****Recommendation**

**That the minutes of the Audit Committee meeting held on 16<sup>th</sup> February 2016 be confirmed as a true and accurate record.**

Moved Cr Hogan  
Seconded Cr Webb

**Resolution**

**That the minutes of the Audit Committee meeting held on 16<sup>th</sup> February 2016 be confirmed as a true and accurate record.**

Carried by: Simple Majority For: 5 Against: 0

**5 Reports of Officers**

<b>Agenda Reference &amp; Subject</b>	
<b>5.1 – 2016 Financial Management Review</b>	
Location / Address	Shire of Dundas
File Reference	FM.AD
Author	CEO – Doug Stead
Date of Report	14 <sup>th</sup> July 2016
Disclosure of Interest	Nil

### Summary

For the Council to consider the outcomes of the 2016 Financial Management Review as shown in the papers relating.

### Background

Regulation 5(2) of the Local Government (Financial Management) Regulations 1996, the CEO is to review the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly. The CEO is also required to report to the audit committee the results of the review.

During the early part of 2016 the CEO outsourced the above review and engaged Butler Settineri (Audit) Pty Ltd to conduct a review of the Shire of Dundas' systems covering key financial management area in the framework.

### Statutory Environment

Regulation 5(2) of the Local Government (Financial Management) Regulations 1996.

In brief the process is to compare the internal control policies and procedures adopted by the Shire of Dundas with the minimum requirements of the Local Government Act 1995 and its associated regulations to determine the extent to which the stated policies and procedures as adopted by the Shire have been implemented by the CEO.

### Policy Implications

Policy A.8 – Internal Audit and Risk Management Policy

### Financial Implications

The cost of this review is covered by the 2015/16 Budget.

### Strategic Implications

Nil

### Consultation

CEO, DCEO, Auditors

### Comment

One of the key requirements of an internal control system is ensuring the proper and efficient segregation of duties. The Shire has managed to achieve this by the appointment of a Financial Accounting Officer. The findings of the auditors on completion of their review indicated that the Shire's financial management framework was generally in good order and that all major controls in relation to financial controls for the receipting of monies, safeguarding of assets and control over expenditure to be in place and functional.

Voting Requirements

Simple majority

Recommendation

**That the Audit Committee approve the 2016 Financial Management Review and refer the matter to the Ordinary Meeting of Council for adoption.**

Moved Cr Vicensoni  
Seconded Cr Hogan

Resolution

**That the Audit Committee approve the 2016 Financial Management Review and refer the matter to the Ordinary Meeting of Council for adoption.**

Carried by: Simple Majority For: 5 Against 0

**6 Next Meeting**

The next meeting of the Audit Committee will be called as required.

**7 Closure of Meeting**

There being no further matters for discussion the Chairperson closed the meeting at 5:33pm.