

Shire of Perenjori

MINUTES

Audit Committee Meeting

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Held in the Shire of Perenjori Council Chambers, Fowler Street, Perenjori on the 19th July 2018,
commenced at 11.15 am.

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18071 PRELIMINARIES

Cr L Butler declared the meeting open at 11.21 am.

18071.1 RECORD OF ATTENDANCE AND APOLOGIES

Cr L Butler – Presiding Member

Cr J Hirsch

Cr L Smith

Cr K Pohl

Cr R White – Observer

Ali Mills – CEO

Joelene Dennis – MCDS

Travis Bate RSM – Via Phone

Yusoof Ariff Office of Auditor General– Via Phone

Ron Back – Via Phone

Bianca Plug – EA

Apologies;

Nil

18071.2 CONFIRMATION OF MINUTES

That the Minutes from the Audit Committee Meeting of the 15th March 2018 be confirmed as a true and correct record of that meeting.

Officer Recommendation – Item 18071.2

That Council accepts the Minutes from the Audit Committee Meeting of the 15th March 2018 as a true and correct record of that Meeting.

Committee Resolution – Item 18071.2

Moved: Cr L Smith

Seconded: Cr K Pohl

That Council accepts the Minutes from the Audit Committee Meeting of the 15th March 2018 as a true and correct record of that Meeting.

Carried: 5/0

18072 INTERIM AUDIT – JUNE 2018
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APPLICANT:	SHIRE OF PERENJORI
FILE:	ADM 0081
DISCLOSURE OF INTEREST:	NIL
AUTHOR:	ALI MILLS - CEO
RESPONSIBLE OFFICER	ALI MILLS - CEO
REPORT DATE:	19TH JULY 2018
ATTACHMENTS	LETTER AND REPORT

Executive Summary

This item seeks council to receive the interim audit results for the year ending 30 June 2018.

Background

The interim audit has been completed in accordance with the audit plan. The focus of the interim audit was to evaluate the overall control environment and to obtain an understanding of the key business processes, risks and internal controls relevant to the audit of the annual financial report.

Management Control issues

Four areas of deficiency have been raised with one significant rating and three moderate ratings.

Preparation and Review of Bank Reconciliations

It had been found there were inconsistencies in the use of bank reconciliation procedures which can increase the risk of fraud, errors and omissions remaining undetected, along with the risk of non-compliance with the Local Government Regulations.

It will be important for Management to ensure staff are equipped to complete the reconciliations on a monthly basis and to ensure a review of these occurs by an independent staff member.

Review of Payroll reconciliations and payroll variance reports

It has been raised for the need to have reports independently reviewed and signed off by a senior management person. This practice is now in place.

Notice of Change of Fees and charges

New fees adopted in September 2017 were not publicly advertised as required by the Local Government Act. This has been noted and assigned to an employee to ensure this does not slip by again.

Statutory Environment

- Local Government Act 1995, section 7.12A
- Local Government (Audit) Regulations 1996
- Australian Auditing Standards.

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

Area 5: Investing in Councils Capacity – Our Leadership

Goal: Strengthen the Shire's position as an innovative, independent local Government providing excellence in all areas of governance, management and leadership.

Risk Management

Risk Statement	Level of Risk	Risk Mitigation Strategy
Turnover of staff creating inconsistencies in practices and use of procedures.	A significant consequence which is possible resulting in significant level of risk.	Ensure procedures are well documented and new staff are aware of them. Multi-skilling to ensure back-ups occur if staff are on leave.
Lack of due diligence from Finance staff and Manager.	A significant consequence which is possible resulting in significant level of risk.	Manager to check that practices are in place and include as part of PR.

Consultation

MCDS

Auditor - RSM

Comment

Nil

Voting Requirements – Simple Majority

Officer Recommendation – Item 18072

That the Audit Committee recommends to Council that it receives the interim audit management letter and management comments provided by office of the Auditor General for the year ending 30 June 2018, attached no. 18072.

Committee Resolution – Item 18072

Moved: Cr J Hirsch

Seconded: Cr K Pohl

- 1. That the Audit Committee recommends to Council that it receives the interim audit management letter and management comments provided by office of the Auditor General for the financial year ending 30 June 2018, attached no. 18072.**
- 2. The Committee acknowledges the error in the report that 5.2c is incorrect and should be 5.1c**
- 3. All future Finance Committee Meetings receive a monthly action list.**

Carried: 5/0

18072 OTHER BUSINESS

18072.1 DATE OF NEXT MEETING / MEETINGS

To be advised.

18072.2 CLOSURE

Cr L Butler declared the meeting closed at 12.20 pm.