

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE OF
THE BAROSSA COUNCIL**
held in the Committee Room, 43-51 Tanunda Road, Nuriootpa, on
Tuesday 11 March 2014 commencing at 10.03am.

1. WELCOME

Mr Peter Brass welcomed everyone to the meeting.

2. PRESENT

Mr Peter Brass, Mr James Heuzenroeder, Mayor Brian Hurn, Cr John Angas

Invited Staff Members

Mr Martin McCarthy, Chief Executive Officer

Mr Mark Lague, Manager Financial Services

Ms Vicky Rohrlach, Senior Accountant

Ms Maz McGann, Acting Director Corporate & Community Services

Mr Alan Jackson, Risk Manager

Ms Nicole Westrich, Governance Officer

Ms Nicole Rudd, Internal Controls Compliance Officer

Ms Annette Randall, Executive Assistant

3. APOLOGIES

Cr Richard Miller

Ms Jo Thomas, Director Corporate & Community Services

4. CONFIRMATION OF MINUTES FROM PREVIOUS MEETING

MOVED Mr Heuzenroeder that the Minutes of the Audit Committee Meeting held 10 December 2013, as circulated, be confirmed as a true and correct record of the proceedings of the meeting.

Seconded Cr Angas

CARRIED

5. BUSINESS ARISING FROM PREVIOUS MINUTES

Included within the Agenda.

6. CONSENSUS AGENDA

The meeting discussed each item.

Regarding Item 6.1.1 – *Review of Delegations* – Ms Westrich answered questions from the members and also advised that the Director Development and Environmental Services was seeking secondary legal advice in relation to Development Plan Consent Delegation Policy (point 2.4 in the Norman Waterhouse Audit Report). An update will be provided to the next meeting.

Regarding Item 6.1.3 – *Mid Year Budget Review 2013-2014* – Mr Lague provided an overview of the Executive Summary and Key Performance Indicators and answered questions from the members.

Regarding Item 6.1.4 – *Update Business Continuity Plan* – Mr Jackson advised that the reported “Non-Compliances” were not a true reflection of the current status of the Plan, as many of the documents “not provided” were not requested in the first place. Mr Brass suggested that a response to that effect be forwarded

to Local Government Risk Services and that an Action Plan be drawn up addressing the “Non-Compliances”, incorporating Officer comments, dates for completion, etc.

Regarding Item 6.1.5 – *Risk Management and Work Health & Safety* – Mr Jackson spoke to the report and answered questions from the members.

MOVED Mayor Hurn that Reports 6.1.1 to 6.1.7 be received.
Seconded Cr Angas

CARRIED

- Regarding Item 6.2.1 – *Dean Newbery & Partners Completion of Balance Date Audit* – Mr Lague spoke in relation to point 3 of the Auditor’s letter, “As from 1 July 2013, Council will be required to comply with Australian Accounting Standard (AASB) 13 Fair Value Measurement”. and advised that due to the confusion in the industry, the LGA commissioned a consultant to provide a ruling on the interpretation of selected aspects of the new Standard. The consultant’s technical paper has been forwarded to John Comrie to produce an information paper, which should be available in April 2014.

MOVED Cr Angas that Correspondence Item 6.2.1 be received.
Seconded Mr Heuzenroeder

CARRIED

ACTIONS:

- Governance Officer to provide updated report re Review of Delegations to May 2014 meeting.
- Risk Manager to respond to LGRS re “Non-Compliances” reported in BCP Health Check and draw up Action Plan addressing such.

7. DEBATE AGENDA

7.1 REPORTS

7.1.1 REVIEW OF INVESTMENTS (B343)

Ms Rohrlach and Mr Lague spoke to the report and answered questions from the members.

MOVED Mr Heuzenroeder that the report on Council’s 2013 Investments be received and noted.

Seconded Mayor Hurn

CARRIED

INTRODUCTION

Pursuant to Section 140 of the Local Government Act 1999, and in accordance with Council’s Investment Policy, Council must undertake an annual performance review of its investments.

COMMENT

During 2013, interest rates have progressively reduced from 3.00% in January to 2.50% in December.

All investments to November 2013 were held with the Local Government Finance Authority of South Australia (LGFA) and are based on the following key factors:

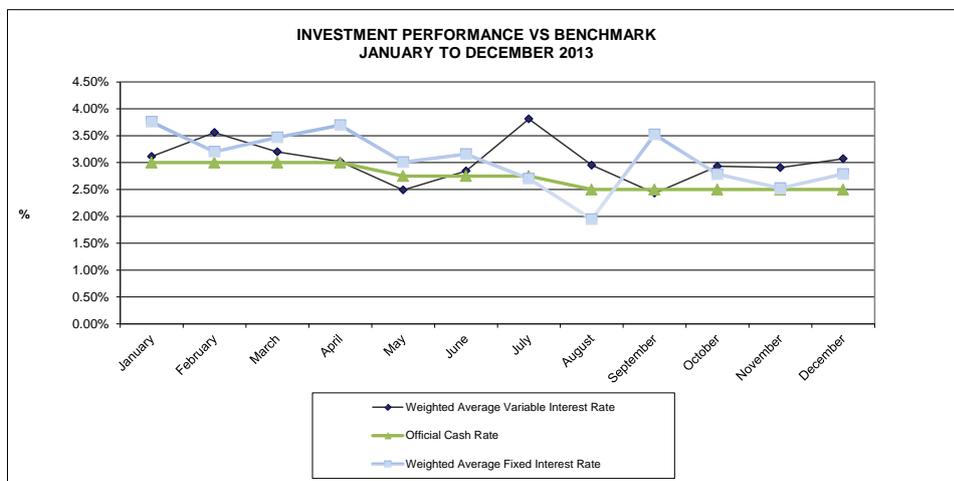
- *Interest rate* (Consistently same or slightly higher than rates quoted from other financial institutions. Council staff compared rates between LGFA, Bank SA, AMP, Westpac and National Australia Bank);

- *Annual bonus distribution* to Councils based on debenture loan/investment holdings (\$44,169 bonus received in 2013/14);
- *Annual contribution to the Local Government Research and Development fund;*
- *Ease of making transactions.*

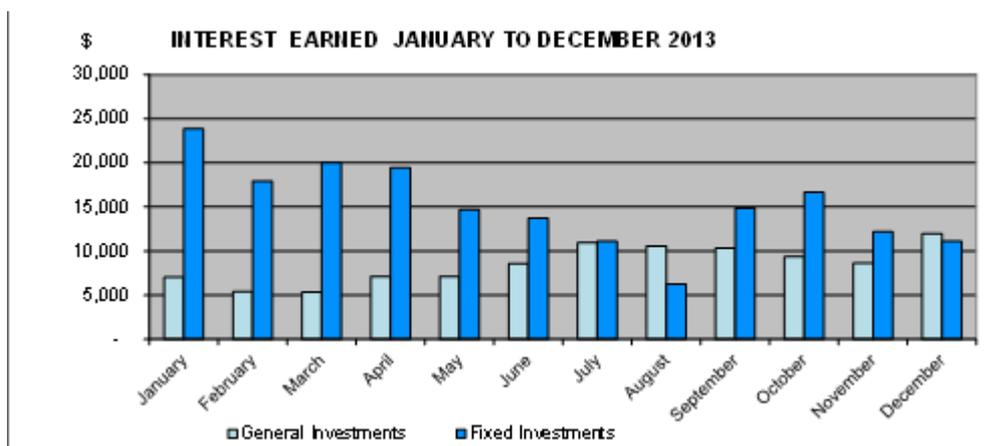
As previously reported to the Audit Committee, Council now uses National Australia Bank (NAB) as their banking provider. A secondary 'investment' account has been set up which has a higher interest rate than the operating account and money is automatically transferred overnight whenever the operating account balance is more than \$50,000. This maximises interest earnings on a daily basis. Where funds are significantly higher than required for upcoming payments, funds are transferred to the LGFA for deposit of between 0 and 120+ days investment, as per previous practice and dependant on cash flow requirements.

The above factors are considered consistent with the criteria outlined in Council's Investment Policy.

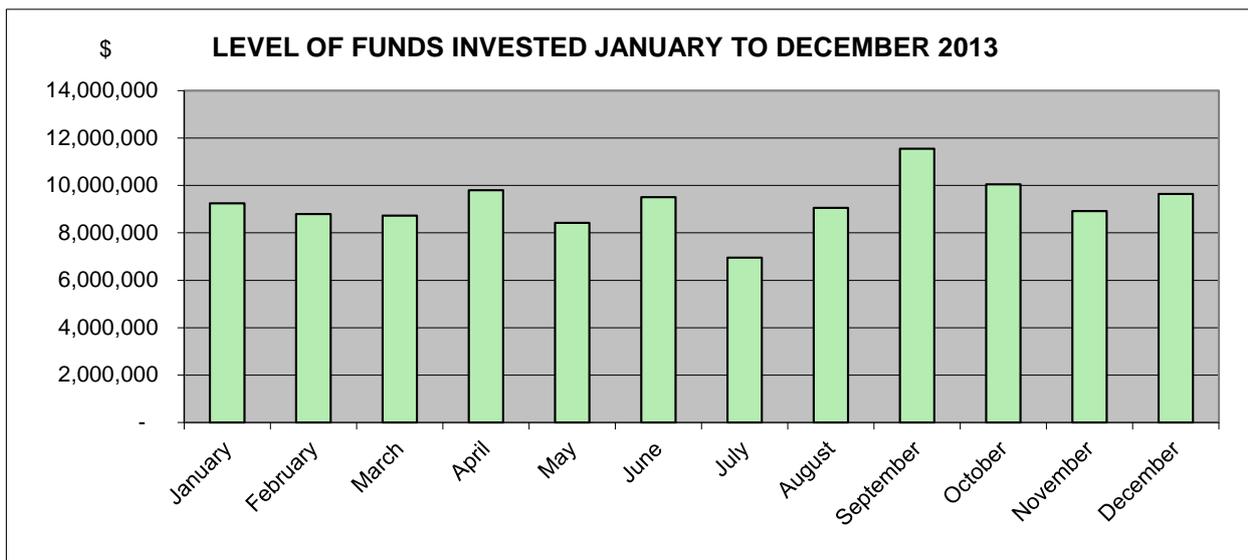
The weighted average interest rate (fixed and variable) on Council's investments during 2013 compared to the official Reserve Bank of Australia cash rate, is outlined in the graph below:



Monthly interest earned for 2013 is shown in the following graph:



The level of funds invested during the year is presented in the graph below. The graph excludes Council's separate operating bank accounts which were maintained at minimum working capital levels in accordance with the Policy. As the extra NAB investment account was only open from 3 December 2013, this will be included in next year's report.



Council's total investments as at 31 December 2013 are outlined in the table below:

	Variable Interest Rate \$'000	≤ 1 year Fixed \$'000	> 1 year ≤ 5 years \$'000	> 5 years \$'000	Non-interest bearing \$'000	TOTAL \$'000
LGFA	4,945	4,694	0	0	0	9,639
NAB Investment A/c	827	0	0	0	0	827
TOTAL	5,772	4694	0	0	0	10,466

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

LEGISLATION:

Section 140 of the Local Government Act 1999

COUNCIL POLICY:

Investment Policy

COUNCIL STRATEGIC PLAN:

Strategy 4.1: Responsibility

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

The review of Council investments monitors performance in this area.

COMMUNITY CONSULTATION

Community consultation is not required for the operational management of investments.

7.1.2 TREASURY MANAGEMENT REVIEW (B1434)

Ms Rohrlach and Mr Lague spoke to the report and answered questions from the members. Regarding Investment Reserves for CWMS and Refuse & Recycling, Mr Lague advised that it is essential that Council's financial system maintains a record of the under or over recovery so that it can substantiate the basis for the service rate or charge and demonstrate its compliance with Section 155 of the Local Government Act 1999. There is no legal requirement to create a reserve within the balance sheet to record this information. Creating a reserve in the balance sheet does not require the backing of the reserve with cash – it is simply an allocation of Equity which reflects the accumulated surplus of income over expenditure. Therefore, internal interest charges are not required

or warranted, as Council's cash is used for all its services. This change will be reflected in the Long Term Financial Plan.

MOVED Cr Angas that the report on Council's 2013 Treasury Management activities be received and noted.
Seconded Mr Heuzenroeder **CARRIED**

INTRODUCTION

Pursuant to Section 140 of the Local Government Act 1999, and in accordance with Council's Treasury Management Policy, Council must undertake an annual performance review of its Treasury Management activities.

COMMENT

The key principles within Council's Treasury Management Policy are as follows:

Council will:

- Maintain target ranges for its Net Financial Liabilities ratio;
- Generally only borrow funds when it needs cash and not specifically for particular projects;
- Not retain and quarantine money for particular future purposes unless required by legislation or agreement with other parties;
- Apply any funds that are not immediately required to meet approved expenditure (including funds that are required to be expended for specific purposes but are not required to be kept in separate bank accounts) to reduce its level of borrowings or to defer and/or reduce the level of new borrowings that would otherwise be required.

Comments regarding the 2013 performance with regard to the above principles are outlined below:

(a) Net Financial Liabilities Ratio

Council's policy regarding its net financial liabilities is that they shall not exceed 100% of total operating revenue (*adopted February 2010*).

As at 30 June 2013, Council's net financial liabilities represented 43% of total operating revenue, and it is projected to increase to 57% as at 30 June 2014.

Accordingly, Council is currently operating within its policy threshold.

(b) Loan Borrowings

Council's policy relative to loan borrowings states that the use of internal reserves be considered prior to consideration of external loan borrowings. There were no new borrowings during 2013. The use of internal cash reserves has continued to be used in funding Council's capital works programs and has subsequently minimised the net interest cost to Council.

A summary of the fixed interest rate borrowings are shown below:

Debenture Loans Summary				
No.	Loan Amount	Interest Rate	Final Payment Date	Principal Outstanding as at 31 December 2013
94	1,500,000	6.75%	16/09/17	554,764
96	2,000,000	6.02%	15/05/18	795,140
97	700,000	5.65%	16/06/18	274,048
98	2,000,000	6.65%	15/01/19	966,733
100	1,954,200	6.45%	15/03/20	1,075,855
101	2,500,000	6.24%	15/03/21	1,533,038
102	5,000,000	6.62%	16/10/21	3,256,356
103	100,000	6.80%	15/11/21	65,426
104	2,900,000	6.90%	15/03/22	1,990,199
105	7,000,000	7.02%	16/11/24	6,252,068
106	2,000,000	6.85%	15/04/26	1,789,982
107	113,000	4.75%	16/07/22	103,934
				18,657,543

(Council did not have any variable interest rate borrowings as at the date of this report.)

(c) Reserve Funds

A summary of the reserve funds administered by Council are outlined in the table below:

Reserve	Purpose of Reserve	Comments
Recreation Facilities	Funding of capital expenditure projects at associated facilities	Reserve administered for each related Section 41 Committee in accordance with Terms of Reference. Favourable/unfavourable budget variances transferred to/from Reserve each year.
Community Hall Facilities	Funding of capital expenditure projects at associated facilities	Reserve administered for each related Section 41 Committee in accordance with Terms of Reference. Favourable/unfavourable budget variances transferred to/from Reserve each year.
Main Street Committees	Funding of special projects	Reserve administered for each related Section 41 Committee in accordance with Terms of Reference. Favourable/unfavourable budget variances transferred to/from Reserve each year.
Caravan Park Reserves	Funding of capital expenditure projects at associated facilities	Operating surpluses transferred to Reserve to fund future capital works.
Environmental Projects	Account for unspent agency/project funds as at 30 June each year	Includes Natural Resource Centre and Upper Torrens Land Management Project Reserve, where unspent State Government agency funds are retained each year. Other specific Reserves (eg. Refuse Dump Rehabilitation, Quarry Rehabilitation) are projected to be used within the next 12-18 months.
Community Wastewater Management Systems (CWMS) Reserves (various)	To fund future replacement/renewal of CWMS infrastructure and equipment	Council's CWMS activities operating surplus is transferred to reserves each year to fund future CWMS asset replacement/renewal. Surplus funds in the Reserve are internally borrowed to other Council activities as needed, with an internal interest adjustment to ensure that CWMS ratepayers are not adversely affected.
Refuse and Recycling Collection Reserves	To fund future replacement of bins in the district	Council's Refuse and Recycling Collection activities operating surplus is transferred to this Reserve each year to fund future replacement of bins in the district.
Developer Reserve	Funding for specific projects/programs	The majority of funds retained relates to Developer Contributions received towards future capital works (eg. open space contributions received as part of development approval process towards future tree-planting, etc at reserves). The funds are subsequently transferred from the Reserve when the related work is undertaken.
Other Reserves	Funding for other specific projects/programs	Where funding has been received and needs to be retained for the specific purpose that it has been received, any surplus funds are transferred to a Reserve at end of year and will probably be spent in the following year, depending on the project. This can be operational or capital projects.

For these reserves, only those listed below are actually cash backed:

Investment Reserve Balances as at 31 December 2013					
<i>Reserve</i>		<i>Type</i>	<i>Maturity Date</i>	<i>Balance</i>	<i>Interest Rate</i>
General	LGFA	Variable	N/A	4,830,164	2.50%
General	LGFA	Fixed	06/01/14	1,000,000	2.75%
General	LGFA	Fixed	06/01/14	500,000	2.75%
General	LGFA	Fixed	06/01/14	1,000,000	2.85%
General	LGFA	Fixed	03/01/14	600,000	2.85%
General	LGFA	Fixed	07/02/14	350,000	2.85%
General	LGFA	Fixed	08/01/14	1,000,000	2.75%
CWMS Reserves	LGFA	Variable	N/A	19,616	2.50%
Developer/Other Reserves	LGFA	Variable	N/A	95,512	2.50%
Developer Reserve	LGFA	Fixed	15/05/14	243849	3.10%
Investment Account	NAB	Variable	N/A	826,591	3.00%
Total				10,465,732	

(d) Application of surplus funds

Surplus funds are invested to maximise investment income and Council's operating bank account is kept at a minimum level sufficient for working capital purposes.

A more detailed review of Council's 2013 Investments has been included in this agenda (refer Agenda item 7.1.1).

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

LEGISLATION:

Section 140 of the Local Government Act 1999

COUNCIL POLICY:

Treasury Management Policy

COUNCIL STRATEGIC PLAN:

Strategy 4.1: Responsibility

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

The review of Council's Treasury Management activities monitors our performance in this area.

COMMUNITY CONSULTATION

Community consultation is not required for operational Treasury Management.

7.1.3 2014/15 AUDIT COMMITTEE BUDGET (B343)

Mr Lague spoke to the report.

MOVED Mayor Hurn that:

- (1) the draft 2014/15 Audit Committee budget be endorsed for consideration by Council during the budget deliberations;
- (2) the 2014/15 sitting fee of \$550 per meeting for the Independent Chairman of the Audit Committee be endorsed for consideration by Council;

- (3) the 2014/15 sitting fee of \$350 per meeting for the Independent Member of the Audit Committee be endorsed for consideration by Council; and
- (4) the 2014/15 Consultant budget \$3,000 and Training budget \$1,000 be endorsed for consideration by Council.
- Seconded Cr Angas** **CARRIED**

INTRODUCTION

To consider a draft 2014/15 budget for the Committee's operations.

COMMENT

The budget for 2014/15 is being prepared completing the Base Budget for activities that are externally and internally required and a Zero Based Budget that will allow a review of service levels and costs to ensure relevance to customer needs. This is a two year project for Zero Based Budgets and service business plans to establish and/or check:

- Service/Function Register
- Service - Budget Manager
- Service Level
- Strategic Plan Link
- Inputs; Outputs; Outcomes
- Key Performance Indicators
- Other

In the Audit Committee Budget, two items that require review are Consultant and Training/Seminar expenditure.

In the past, consultants have been used to undertake reviews and compliance checks for taxation and accounting, along with purchase and implementation of the internal control tracking tool. The training budget has previously been used by new independent members to attend LGA programs.

A proposed 2014/15 budget to support the operations of the Audit Committee is outlined in the table below:

Audit Committee Financial Statement as at 13 February 2014

	February YTD Actuals	Original Budget 2013/14 + Q1/Q2 Adj	February YTD Budget % variance	Draft 2014/15 Budget
496 - Audit Committee				
Salaries (preparation of reports/agendas, attendance at meetings – CEO, Director C&CS, Manager Financial Services, Minute Secretary)	7,567	12,180	62%	12,606*
Consultants (provision for sundry project work undertaken as part of Committee work plan or specifically requested by Council)	0	5,000	0%	0 •
Training / Seminar expenses	0	0	0%	*
Sitting Fees (Independent Members)	2,200	4,150	47%	# 4,150
Insurance & Other	159	129		163
Total 496 - Audit Committee	9,926	21,459	46%	17,419

* Provides for 3.5% EB increase for the Salary cost at existing allocations. Depending on cost centre allocations, this amount may change when the budget is finalised.

- Consultants and training expenses are set at zero and may change after review by Council.

Provides for Sitting Fees as follows: Chairperson \$550, Independent Member \$350 to attend 4 meetings and the annual report attendance at Council meeting for the Chairperson.

LEGISLATIVE / POLICY / COUNCIL STRATEGIC PLAN

LEGISLATION:

Local Government Act 1999 – Section 41

COUNCIL POLICY:

Annual Budget/Business Plan Policy

COUNCIL STRATEGIC PLAN:

Strategy 4.1: Responsibility

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Funding to support the operations of the Audit Committee is required to ensure resources are adequate to undertake this vital role within Council and is included in the annual budget.

COMMUNITY CONSULTATION

A public consultation process of the Annual Budget and Business Plan will be undertaken in May/June 2014.

7.1.4 DRAFT AUDIT COMMITTEE 2014 WORKPLAN (B343)

Dates of meetings in May, October and December to be advised; noted that the October meeting will be dependent on Auditor's schedule.

MOVED Mayor Hurn that the Audit Committee approve the draft Audit Committee Workplan for 2014.

Seconded Mr Heuzenroeder

CARRIED

INTRODUCTION

Draft Audit Committee Workplan for 2014 for approval.

COMMENT

The draft Workplan has been formulated based on a model workplan developed by the Local Government Association.

A well functioning Audit Committee and an appropriate and robust internal audit program (as outlined in the draft Workplan), significantly reduces the likelihood of the need for Efficiency and Economy Audits as prescribed in Section 130A of the Local Government Act 1999.

The Workplan has been prepared to include all proposed reports, policy reviews, compliance reviews, etc for 2014.

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

Local Government Act 1999 – Section 126

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Adoption and adherence to an annual Workplan is a risk management tool.

COMMUNITY CONSULTATION

Not required under legislation or Council's Public Consultation Policy.

7.1.5 REVIEW DRAFT BUDGET 2014-15 AND ANNUAL REVIEW LONG TERM FINANCIAL PLAN INDEXATION AND ASSUMPTIONS

MOVED Mr Heuzenroeder that the Audit Committee notes the indexation and assumptions for the Annual Budget & Business Plan 2014-15 and Long Term Financial Plan (LTFP) 2014-15 to 2023-24.

Seconded Cr Angas

CARRIED

INTRODUCTION

As per the 2014-15 Annual Budget/Business Plan timetable endorsed by Council in January 2014, the Audit Committee needs to consider and provide comment on the indexation and assumptions for the Annual Budget & Business Plan (AB&BP) 2014-15 and Long Term Financial Plan (LTFP) 2014-15 to 2023-24.

Overview

The review of indexing and assumptions for the Annual Budget & Business Plan 2014-15 and Long Term Financial Plan (LTFP) 2014-15 to 2023-24 has been considered by Council at the information briefing Workshop on 22 January 2014. This process enables Council to take a long term view and 'set the big picture' before starting the annual budget process. A copy of the Council Workshop presentation and background reading papers were provided in the Agenda.

Key Assumptions & Enhancements

Each annual review process provides an opportunity to introduce new assumptions or enhance the information base as required, using the existing indexation and assumptions.

The main assumptions and indexation being considered during this early stage of budget preparation is the income and expenditure indexation. As included in the presentation paper, Council reviews the proposed rate increase and the indexation application to operational expenditure.

The LGPI (Local Government Price Index) is used as a base for the plan(s) and considering local needs and requirements to meet service levels, including external influences such as service contracts where fuel prices and employment costs may vary the service cost. The Local Government Price Index (LGPI) increase for 12 months to 30 June 2013 was 2.5% 30 September 2013 was 2.3%; (noting the Adelaide CPI for the 30 September period was 2.0%).

Income

Rate increases to fund and ensure service level provision is maintained in line with revised sustainability requirements.

The adopted General Rate Revenue indexation rates in the LTFP from last year were split into Residential and Non-residential rates. The Residential rate revenue was budgeted to increase at 5.50% in 2014-15, 4.5% in 2015-16, 5.0% in 2016-17 and then 4.5% for two years then 3.5% per annum thereafter. The Non-residential rate revenue was budgeted to increase at 4.5% in 2014-15 and 2015-16, 5.0% in 2016-17 and 4.50% for two years then 3.5% per annum thereafter. For Industry Other, rate revenue was budgeted to increase by 3.5% in 2014-15 rather than the LTFP projection of 4.5%.

Other income indexation has a base increase of 2.0%.

Expenditure

Operating expenditure indexation will be assessed individually for internal and external factors as follows:

- employee costs at the enterprise bargaining agreements scheduled to increase at 3.5%;
- Contractors and materials have a base increase of 2.5%;
- selected operating costs have been isolated as increases to these are unique eg. power 6% (CWMS 9% for 2012-13 year only), water 5%, insurance TBA%, waste collection TBA%

Long term plans for Capital expenditure will be reassessed, ensuring funding is allocated for renewal and replacement assets along with an allowance for new discretionary projects.

As referred to in this report, Council is continuing the Zero Based Budget process started in 2013-14. The default indexation will apply where a Zero Based Budget has not been prepared.

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

LEGISLATION:

Local Government Act 1999 – Section 122

COUNCIL POLICY:

Annual Budget/Business Plan Policy

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Long-term financial planning is an iterative process - it occurs on a regular basis and experience suggests that it will take many attempts to 'get it right'. As new information is included in the planning process – from the latest advice on interest rates to information from the community on expected service standards – the plans are discussed, reviewed and fine-tuned.

Each annual review process provides an opportunity to introduce new assumptions or enhance the information base as required.

COMMUNITY CONSULTATION

A public consultation process of the Annual Budget and Business Plan will be undertaken in May/June 2014.

Mr Brass approved a request by Mr McCarthy to consider Agenda item 9.1 Bushfire Recovery and ICAM, at this point in the meeting.

9. OTHER BUSINESS – REPORT FOR INFORMATION

9.1 BUSHFIRE RECOVERY AND ICAM

Since 14 January 2014 with the Krondorf and Flaxman Valley fires, followed by the Eden Valley fires starting on 17 January, staff have been involved in supporting the response to these fires and recovery efforts. A report on Council's involvement was presented to the 18 February 2014 Council Meeting and is provided for information. The Chief Executive Officer will provide further information at the Audit Committee meeting.

Mr McCarthy spoke to the report, including an update on the ICAM (Incident Cause Analysis Method) undertaken.

MOVED Mr Heuzenroeder that Report 9.1 regarding Bushfire Recovery and ICAM be received.

Seconded Mayor Hurn

CARRIED

Mr McCarthy left the meeting at this point.

7.1.6 INTERNAL FINANCIAL CONTROL (B1321)

Ms Rudd spoke to the report advising she will continue to take 'learnings' from the Metropolitan Councils (which have already undergone a comprehensive assessment from the Auditors) to fine tune our reports and capture exactly what is required.

MOVED Cr Angas that the report on Internal Financial Controls be received and noted.

Seconded Mr Heuzenroeder

CARRIED

INTRODUCTION

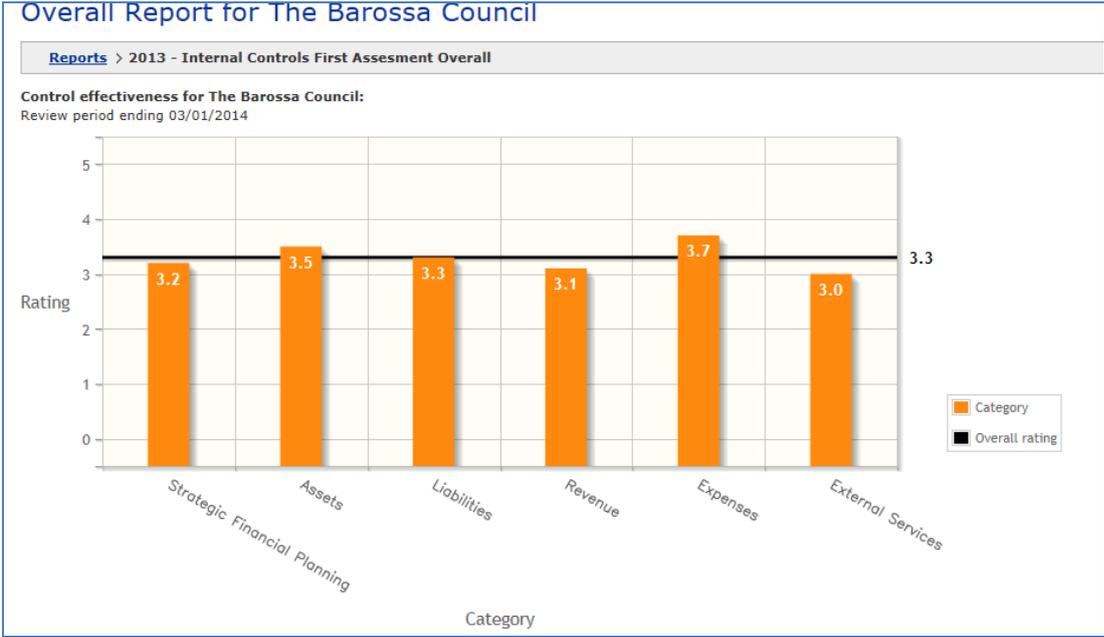
Update on internal control work performed since the last Audit Committee meeting.

COMMENT

The initial assessment and review cycle has been completed in ControlTrack and the resulting action plans have been documented for those controls which rated either 1 (ineffective), 2 (requires significant improvement) or 3 (partially effective).

Those controls which are rated as a 4 (majority effective) or 5 (effective) did not require action plans placed against them.

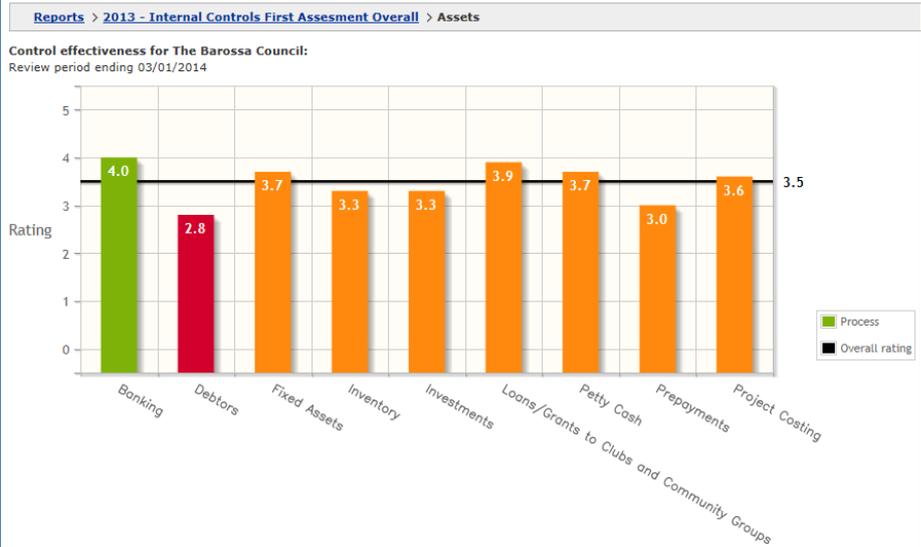
The overall rating results of the first Control Self-Assessment cycle in ControlTrack is summarised at a Risk Category Level as per the following table:



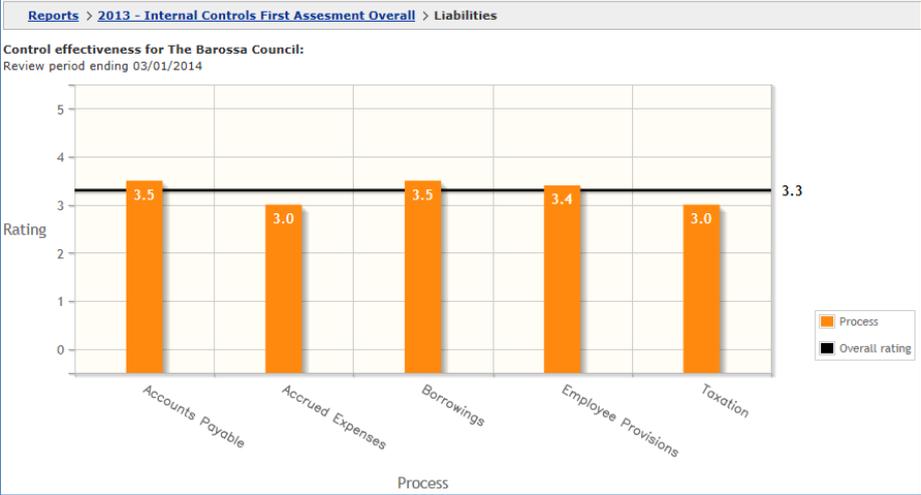
The following tables are broken down into the risk ratings for the business processes under each of the 6 Risk Category headings:



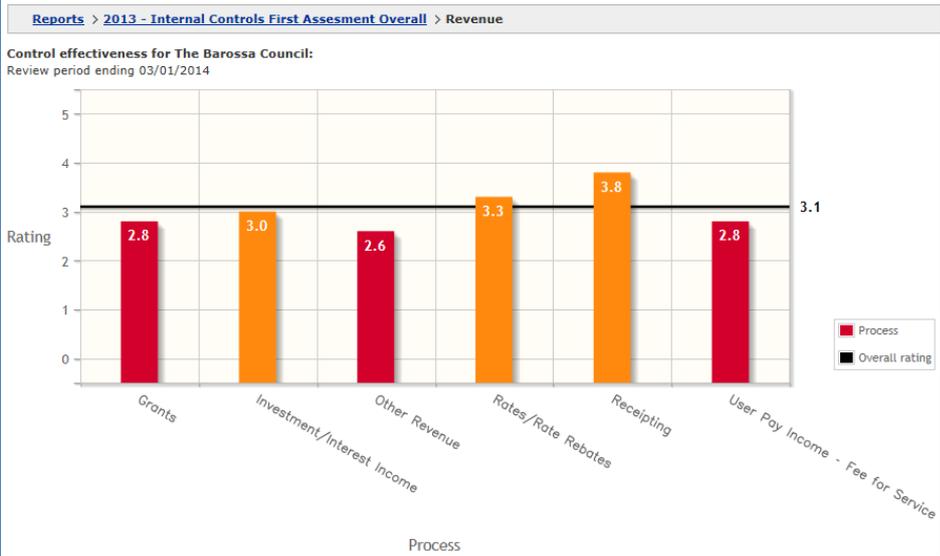
Category Report for Assets

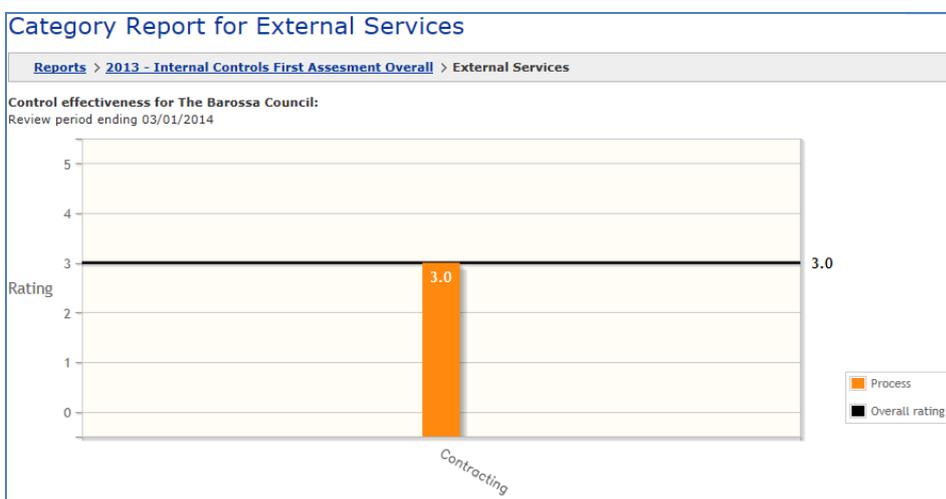
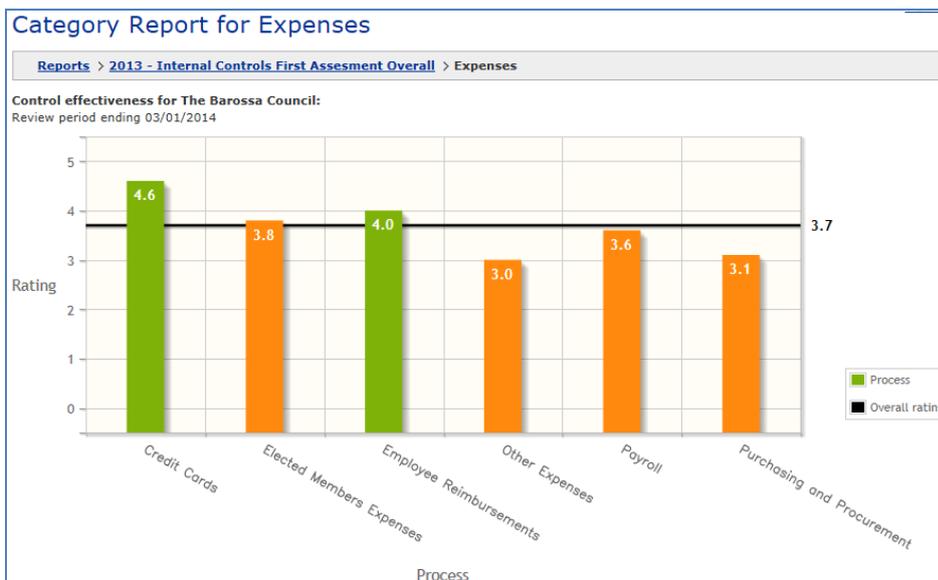


Category Report for Liabilities



Category Report for Revenue





The individual controls which are allocated to each of the above business processes have been assessed and reviewed in the overall self-assessment cycle (in ControlTrack).

The results of the control self-assessment and the action plans for the individual controls rated as either 1, 2 or 3 has been consolidated into a spreadsheet (a sample will be tabled at the meeting).

Given that this was our initial assessment, the content of the comments and action plans are going to be reviewed for uniformity in approach. This will be happening at scheduled meetings with individual officers. Actions need to be prioritised relevant to their importance and/or risk to the organisation (the residual risk assessments will also be completed for each risk as part of the Better Practice Model which details all Council's financial risks).

Further consultation with the CMT, the Local Government Financial Management Group – Internal Controls Working Party, as well as the External Auditors, will continue to develop our Internal Financial Control environment.

Further progress will be documented at the next meeting of the Audit Committee.

LEGISLATIVE / POLICY / COUNCIL STRATEGIC PLAN

LEGISLATION:

Local Government Act 1999 – Section 125, 126
Local Government (Financial Management) Regulations 2011, 14(e)

COUNCIL POLICY:

Various

COUNCIL STRATEGIC PLAN:

Governance and Organisation - Strategy 4.1: Responsibility

Governance and Organisation – Strategy 4.3: Systems

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

The regular monitoring and review of Council's financial internal controls and risk assessments will significantly facilitate the on-going safeguarding of Council assets.

The control and review of risks is a core officer function and responsibility. The introduction of the new system supports officers by providing a consistent framework and process.

COMMUNITY CONSULTATION

Not required under legislation or Council's Public Consultation Policy.

8. OTHER

8.1 AUDIT COMMITTEE ACTION TRACKING

The meeting noted the Action Tracking document.

9. OTHER BUSINESS

Considered earlier in the meeting (refer Page 9.)

10. NEXT MEETING

To be advised.

11. CLOSURE

There being no further business, Mr Brass closed the meeting at 12noon.

Confirmed:

Chairman:

Date: