

**MINUTES OF THE MEETING OF THE AUDIT COMMITTEE OF
THE BAROSSA COUNCIL**
**held in the Committee Room, 43-51 Tanunda Road, Nuriootpa, on
Wednesday 14 October 2013 commencing at 10.35am.**

1. WELCOME

Mr Peter Brass welcomed everyone to the meeting, in particular, Ms Samantha Allard from Dean Newbery & Partners.

2. PRESENT

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

VISITOR

Ms Samantha Allard, Dean Newbery & Partners

Invited Staff Members

Mr Martin McCarthy, Chief Executive Officer

Ms Jo Thomas, Director Corporate & Community Services

Mr Mark Lague, Manager Financial Services

Ms Vicky Rohrlach, Senior Accountant

Mr Alan Jackson, Risk Manager

Ms Nicole Rudd, Internal Controls Compliance Officer

Ms Annette Randall, Executive Assistant

3. APOLOGY

Cr Richard Miller

4. CONFIRMATION OF MINUTES FROM PREVIOUS MEETING

MOVED Mr Heuzenroeder that the Minutes of the Audit Committee Meeting held 12 June 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 – *Progress Report - Risk Management and Work Health & Safety* –
 - In discussing the WHS Improvement Plan, Mr Jackson stated that KPI Audit Corrective Actions not yet closed out related mainly to management and training of Council's 500+ Volunteers. A project is now in place, with an additional .6FTE resource to assist. A presentation on Council's Risk Management Framework and policies is currently being prepared to present to a future Council Workshop.
- Regarding Item 6.1.3 – *Local Government Association Mutual Liability Scheme 2013 Risk Management Review* – Mr Brass queried the comparably low score for "Governance Framework" category. Mr Jackson again advised that the result was mainly due to Council's management of Volunteers and an

action plan is in place. Mr Brass requested a summary report on status of actions be provided to the next meeting.

- Regarding Item 6.1.5 – *Internal Financial Controls Compliance*, Ms Rudd provided a verbal report, advising that:
 - Risk Assessments from the Better Practice Model have been completed and Low, Medium and High risks identified
 - Control Track is in place – targeted staff have received training
 - 63% of initial Risk Assessments have been completed
 - A report re financial risks will be presented to the next meeting.
- Regarding the 2013 Balance Date External Audit undertaken on 2 and 3 October (Item 6.2.1), Mr Brass congratulated Mr Lague and his team on their excellent work and dedication in achieving the auditing requirements, particularly considering their depleted staff resources of late.

MOVED Mr Heuzenroeder that Reports 6.1.1 to 6.1.5 be received.

Seconded Mayor Hurn

CARRIED

MOVED Cr Angas that Correspondence Item 6.2.1 be received.

Seconded Mayor Hurn

CARRIED

ACTIONS:

- Risk Manager to forward a précis of the LGAMLS 2013 Risk Management Review Action Plan to Audit Committee members.
- Chief Executive Officer to provide a summary report on status of actions in above Plan, to the next meeting.

7. DEBATE AGENDA

7.1 REPORTS

7.1.1 NURIOOTPA CENTENNIAL PARK AUTHORITY – 2012-13 ANNUAL FINANCIAL STATEMENTS

Mr Lague spoke to the report and answered questions from the meeting.

MOVED Mr Heuzenroeder that the 2012-13 Draft Annual Financial Statements for the Nuriootpa Centennial Park Authority be endorsed and presented to Council for adoption.

Seconded Cr Angas

CARRIED

INTRODUCTION

To provide a copy of the Nuriootpa Centennial Park Authority Annual Financial Statements for the year ended 30 June 2013.

COMMENT

In accordance with Section 126(4) of the Local Government Act 1999, the Committee must review the Annual Financial Statements to ensure that they present fairly the state of affairs of the Council.

The Council Auditors commenced their Balance Date Audit on 10 August 2013.

Council officers have provided information to the auditors to ensure they were able to conduct their audit and have made necessary adjustments to the report as required.

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

Local Government Act 1999 – Section 126(4)

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

The financial statements have been incorporated into Council's consolidated Financial Statements.

COMMUNITY CONSULTATION

No separate consultation is required under Council's Public Consultation Policy. The Statements are public documents, accessible to the community via Council's website.

7.1.2 2012-13 ANNUAL FINANCIAL STATEMENTS B1096

Mr Lague spoke to the report, highlighting changes in composition of several cost categories as recorded in the Notes. The meeting noted the large increases in water and electricity costs. Mr Heuzenroeder requested further information regarding *Parts, Accessories and Consumables*; Ms Rohrlach will forward the information to the Committee.

MOVED Cr Angas that subject to final confirmation with Council auditors, the preliminary 2012-13 Annual Financial Statements be endorsed and presented to Council for adoption.

Seconded Mr Heuzenroeder

CARRIED

INTRODUCTION

To provide a copy of the Interim Annual Financial Statements for the year ended 30 June 2013 for review.

COMMENT

In accordance with the Local Government Act 1999, Section 126(4) the Committee must "*review the adequacy of the financial management systems and practices of the Council...*". This is to ensure that they present fairly the state of affairs of the Council.

As required in the Terms of Reference "*the committee shall monitor the integrity of the financial statements of the Council, including its annual report, reviewing significant financial reporting issues and judgements they contain*".

The Council Auditors conducted their Balance Day Audit on 2, 3 and 8 October 2013.

Council Officers have provided information to the Auditors to ensure they were able to conduct their audit and have made necessary adjustments to the report as required.

A final review is being made by the Auditors and it is expected that a final copy of the financial statements should be available in the week beginning 21 October 2013. A final copy will be presented to Council at the 19 November 2013 Council meeting.

A preliminary Comprehensive Income Statement variance report from the Original Budget compared to Actual results for the 2012-13 year will be forwarded to members by separate cover.

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

LEGISLATION:

Section 126(4) of the Local Government Act 1999
Local Government (Financial Management) Regulations 2011

COUNCIL STRATEGIC PLAN:

4.1 – Responsibility
4.3 - Systems

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

All known financial and resourcing requirements as at 30 June 2013 have been included in the financials.

Risk management issues are considered by Management throughout the financial year and communicated to Council as required.

There are no resource management considerations.

COMMUNITY CONSULTATION

No separate consultation is required under Council's Public Consultation Policy. The Statements are public documents, accessible to the community via Council's website.

ACTION:

- Senior Accountant to provide members with further information regarding Parts, Accessories and Consumables.

7.1.3 DRAFT ANNUAL REPORT OF COMMITTEE'S ACTIVITIES B343

MOVED Mayor Hurn that the Audit Committee draft Annual Report be approved for inclusion in The Barossa Council 2012-13 draft Annual Report for submission to Council.

Seconded Mr Heuzenroeder

CARRIED

INTRODUCTION

A draft Annual Report of the Committee's activities.

COMMENT

One of the activities of an audit committee identified in LGA Information Paper 14 'Model Work Program for Council Audit Committees' is its annual reporting to Council. Subsequent Information Paper 19 'Audit Committee Reporting' presents a 'best practice' approach for Councils to adopt.

The Chairman's draft report follows the model template set out in the Information Paper.

The Chairman will present his report to the 19 November 2013 Council Meeting and a copy will be included in Council's 2012-13 Annual Report.

LEGISLATION/POLICY/COUNCIL STRATEGIC PLAN

- Local Government Act – Section 126
- The Barossa Council Strategic Plan:
 - 4.1 Responsibility
- LGA Information Paper 19 'Audit Committee Reporting'

FINANCIAL, RESOURCE AND RISK MANAGEMENT CONSIDERATIONS

Council's Audit Committee has a key role in its governance framework. Good communication between the Committee and Council will ensure that financial and risk management issues raised receive appropriate consideration and attention.

There are no resource management considerations.

COMMUNITY CONSULTATION

A copy of the Audit Committee Annual Report on activities for 2012-13 will be available to the public via The Barossa Council Annual Report for 2013.

8. OTHER

8.1 ANNUAL SELF ASSESSMENT

The meeting resolved that the Audit Committee Annual Self Assessment be conducted as a group exercise at the next Committee meeting.

8.2 AUDIT COMMITTEE ACTION TRACKING

Regarding item *Audit Meeting 26 February 2013 (6.2.3)*, it was noted that matters can not be entered directly into the Deloitte internal control system. Mr Brass asked that agreed Management actions from the external audits to be included in the Audit Committee Action Tracking document.

The meeting resolved that the Action Tracking document be received and noted.

ACTION:

- *Re the Deloitte internal control system, Manager Financial Services to include agreed Management Actions from the external audits in the Audit Committee Tracking document.*

9. OTHER BUSINESS

9.1 NURIOOTPA CENTENNIAL PARK AUTHORITY (NCPA) AUDIT COMMITTEE

Ms Thomas advised that she had recently met with the NCPA, seeking confirmation of their intentions regarding the NCPA Audit Committee. The Authority advised that they wish to withdraw their proposal for Council’s Audit Committee to take over the functions of the NCPA Audit Committee and committed to re-establishing their Committee as soon as possible.

9.2 INFORMATION AND COMMUNICATION TECHNOLOGY STEERING COMMITTEE (ICTSC)

Mr Brass requested that the ICTSC meeting minutes be included in future Agendas for information.

10. NEXT MEETING

Tuesday 10 December 2013 commencing at 10.30am.

11. CLOSURE

There being no further business, Mr Brass closed the meeting at 11.40am.

Confirmed:

Chairman:

Date: