



Audit Committee Meeting

MINUTES

12 March 2020

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SHIRE OF BROOMEHILL-TAMBELLUP

Minutes of the meeting of the Audit Committee held in the
Tambellup Council Chambers on Thursday 12 March 2020
commencing at 3.00pm.

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

Cr Holzknacht welcomed Russell Harrison of Lincolns Accountants to the meeting and introduced Cr Barritt and Cr Penny as the newly elected Councillors since the last meeting with the Auditor. Cr Holzknacht declared the meeting open at 3.00pm.

2. ATTENDANCE

Cr MC Paganoni	
Cr ME White	
Cr MC Nazzari	
Cr KJ Holzknacht	Chairperson
Cr CJ Letter	
Cr DT Barritt	
Cr SH Penny	
KB Williams	Chief Executive Officer (CEO)
KP O'Neill	Manager Finance and Administration
PA Hull	Strategic Support & Projects Officer
LK Cristinelli	Executive Assistant
Russell Harrison	Auditor, Lincolns Accountants

2.1 APOLOGIES

Nil

3. CONFIRMATION OF PREVIOUS MEETING MINUTES

Attachment:	Minutes of the previous meeting held 20 February 2020
File Ref:	Nil
Author:	KP O'Neill – Manager Finance & Administration
Date:	6 March 2020
Disclosure of Interest:	Nil

VOTING REQUIREMENTS

Simple Majority

COMMITTEE DECISION

Au200301

Moved Cr Paganoni, seconded Cr White

That the minutes of the meeting of the Audit Committee held on 20 February 2020 be confirmed as a true and accurate record of proceedings.

CARRIED 7/0

4. MATTERS FOR DECISION

4.1 ANNUAL MEETING WITH AUDITOR

Attachment:	Lincolns – Report to the Audit Committee for year end 30 June 2019
File Ref:	ADM0058
Author:	KP O’Neill – Manager Finance & Administration
Date:	6 March 2020
Disclosure of Interest:	Nil

SUMMARY

Council to conduct its annual meeting with its auditor, Russell Harrison of Lincolns Accountants and Business Advisors.

BACKGROUND

The final audit for the Shire of Broomehill-Tambellup for the 2018/19 year was signed off by the auditor on 14 February 2020.

The annual financial statements and auditors’ report for the 2018/19 financial year was accepted by Council at the 20 February 2020 meeting. The annual electors meeting for the financial year in question will be held at 5.00pm on Thursday 12 March 2020.

The *Local Government Act 1995 section 7.12A(2)* requires that a local government is to meet with its auditor at least once in every year.

COMMENT

Russell Harrison will attend the meeting from 3.00pm. The attached report provided by Lincolns outlines the scope and focus of the audit, any adverse trends and corrected audit misstatements that occurred during the reporting period.

Councillors should also refer to the 2018/19 Annual Financial Report for the discussion with Mr Harrison.

Mr Harrison will also discuss with the Committee the Audit Plan for the 2019/20 year.

Mr Harrison discussed the following matters with the Committee –

- *The Shire is now under the Office of the Auditor General (OAG) for audit from 2019/20, however Lincolns have been appointed as the contractor to perform the audit, with sign off by the OAG.*
- *The OAG have tabled their report to Parliament on the outcomes of Local Government audits for 2018/19. A section of this report focuses on efficiencies within the sector, and contains several recommendations for improvement going forward.*
- *Discussion over ratios, in particular the Operating Surplus Ratio which has declined over the past 3 years and is below the DLGSCI standard. This result is fairly common in small regional local governments, however the factors that impact this ratio should be reviewed (ie depreciation).*
- *Ratios should be looked at in the context of how they are trending over a period of time.*
- *An entrance interview will be conducted with the OAG, Lincolns, the Audit Committee and management prior to the interim audit in May to outline the 2019/20 audit plan.*

CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government (Audit) Regulations 1996

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.*

POLICY IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Strategic Community Plan 2018-2028

Objective 1.5 Our Shire demonstrates strong leadership, effective governance and efficient service delivery to our community

FINANCIAL IMPLICATIONS

There are no financial implications

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION

Committee discussion with Mr Harrison, no recommendation required

5. GENERAL BUSINESS

Cr Holzknacht and Cr Paganoni thanked Russell Harrison for taking time to attend the meeting. Cr Holzknacht extended thanks to the Manager Finance and Administration for arranging Mr Harrison's visit, and preparation for end of year and audit.

Mr Harrison retired from the meeting at 3.55pm.

6. CLOSURE

There being no further business, the Chairperson thanked Councillors and Staff and declared the meeting closed at 3.55pm.