



CONFIRMED MINUTES

FINANCE, AUDIT & RISK COMMITTEE MEETING 1st MAY 2019 COUNCIL CHAMBERS NABAWA 4.00PM

Committee Purpose & Delegations

The purpose of the Committee in fulfilling the requirements of Local Government (Audit) Regulation 17 by assisting the Chief Executive Officer to:

- a) provide an independent oversight of the financial systems of the local government on behalf of the Council;
- b) guide and assist the local government in respect to financial management;
- c) contribute to the Shire's corporate governance, stewardship, leadership and control responsibilities in relation to financial reporting and audit;
- d) guide and assist with the Internal Audit and Risk Management;
- e) oversee the implementation of audit recommendations made by the auditor, which have been accepted by council; and
- f) oversee accepted recommendations arising from reviews of local government systems and procedures.

Delegation – Nil

The Finance, Audit & Risk Committee is comprised of:

Cr A Farrell (Presiding Member)
Cr P Humphrey
Cr D Forth

Chief Executive Officer	(Observer)
Manager Finance & Corporate Services	(Observer)
Accountant	(Observer)

DISCLAIMER



No responsibility whatsoever is implied or accepted by the Shire of Chapman Valley for any act, omission or statement or intimation occurring during Council Meeting. The Shire of Chapman Valley disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee Meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council Meeting does so at that person's or legal entity's own risk.

The Shire of Chapman Valley warns that anyone who has any application or request with the Shire of Chapman Valley must obtain and should rely on written confirmation of the outcome of the application or request of the decision made by the Shire of Chapman Valley.

A handwritten signature in black ink, appearing to read "M. Battilana", is written over a large, light-colored circular scribble.

Maurice Battilana
CHIEF EXECUTIVE OFFICER

UNCONFIRMED MINUTES

FINANCE, AUDIT & RISK COMMITTEE MEETING TO BE HELD IN THE COUNCIL CHAMBERS, NABAWA 1ST MAY 2019 AT 4.00PM

ORDER OF BUSINESS

1.0 Declaration of Opening / Announcements of Visitors

The Presiding Member, Cr Farrell welcomed Councillors and Staff and opened the meeting at 4.00pm.

2.0 Announcements from the Presiding Member

Nil

3.0 Attendance

a. Councillors

Members
Cr Anthony Farrell (President)
Cr Darrell Forth
Cr Peter Humphrey

b. Staff

Officer	Position
Mr Simon Lancaster (from 4.03pm)	Deputy Chief Executive Officer
Mrs Dianne Raymond	Manager of Finance & Corporate Services
Mrs Karen McKay	Executive Services Administrator (Minute Taker)

c. Visitors

Name	
Greg Godwin (via Teleconference)	Auditor – Moore Stephens

3.2 Apologies

Mr Maurice Battilana

3.3 Leave of Absence (Previously approved)

Nil

4.0 Declaration of Interest - NIL

Members should fill in Disclosure of Interest forms for items in which they have a financial, proximity or impartiality interest and forward these to the Presiding Member before the meeting commences.

Section 5.60A:

*"a person has a **financial interest** in a matter if it is reasonable to expect that the matter will, if dealt with by the local government, or an employee or committee of the local government or member of the council of the local government, in a particular way, result in a financial gain, loss, benefit or detriment for the person."*

Section 5.60B:

*"a person has a **proximity interest** in a matter if the matter concerns –
(a) a proposed change to a planning scheme affecting land that adjoins the person's land; or
(b) a proposed change to the zoning or use of land that adjoins the person's land; or
(c) a proposed development (as defined in section 5.63(5)) of land that adjoins the person's land."*

Regulation 34C (Impartiality):

*"**interest** means an interest that could, or could reasonably be perceived to, adversely affect the **impartiality** of the person having the interest and includes an interest arising from kinship, friendship or membership of an association."*

5.0 Petitions / Deputations / Presentations

Nil

6.0 Confirmation of Minutes from previous meetings

COMMITTEE RECOMMENDATION

MOVED: CR FARRELL

SECONDED: CR FORTH

Finance and Audit Committee Meeting held on 8th February 2019

Recommend that the Minutes of the Finance and Audit Committee of the Shire of Chapman Valley held on 8th February 2019 be confirmed as a true and accurate record of proceedings. (Supplied under separate cover **Attachment 6.0(a)**).

**CARRIED
Voting 3/0**

Minute Reference FAC 05/19 - 1

7.0 Items to be dealt with En Bloc

Nil

8.0 Officers' Reports

8.1 Interim Audit Entrance Meeting

AGENDA ITEM:	8.1
SUBJECT:	AUDIT ENGAGEMENT ACTIVITY PLAN
PROPONENT:	FINANCE & AUDIT COMMITTEE
SITE:	COUNCIL CHAMBERS
FILE REFERENCE:	305.05
PREVIOUS REFERENCE:	N/A
DATE:	30th APRIL 2019
AUTHORS:	MAURICE BATTILANA & DIANNE RAYMOND

SUPPORTING DOCUMENTS:

Ref	Title	Attached to Report	Under Separate Cover
8.1(a)	Audit Strategy Memorandum		√

DISCLOSURE OF INTEREST

Nil

BACKGROUND

The Shire of Chapman Valley has received the Audit Strategy Memorandum and Audit Engagement Activity Plan from its Auditors - Moore Stephens i.e.

Key Deliverables

The following timetable is a broad outline of the key deliverables and timing aspects of the audit:

Engagement Activity	Timing
Audit Planning	17 April 2019
Entrance Meeting (Interim)	30 April 2019 (TBC)
Interim Audit Visit	6 – 9 May 2019
Interim management report (if any matters to be reported)	24 May 2019
Receipt of complete and balanced draft financial report	27 September 2019
Final Audit Visits	14 October – 17 October 2019 (TBC)
Issuance of Audit Concluding Memorandum	11 November 2019 (TBC)
Concluding (Exit) Meeting	13 November 2019 (TBC)
Date CEO sign off on financial statements	15 November 2019 (TBC)
Final sign-off of Auditor's report & management report	18 November 2019 (TBC)

COMMENT

The intention of the Committee meeting is to conduct an *Audit Entrance Meeting* with Committee Members, Staff and Auditors. This is an opportunity for open discussion between Council and the Auditors on the direction the forthcoming audit will take.

The Management Letter and Financial Audit Report for 2017/2018 where dealt with at the Committee meeting held on the 8th February 2019, so there is no need to action any aspects highlighted in the Minutes from this Meeting, which have also been presented to Council for consideration and direction.

STATUTORY ENVIRONMENT

Part 7 *Local Government Act 1995* and the Local Government (Audit) Regulations 1996

POLICY IMPLICATIONS

None applicable

FINANCIAL IMPLICATIONS

The long-term financial viability of the Shire is of importance for future service delivery levels provided to the Shire's constituents.

- **Long Term Financial Plan (LTFP):**

The annual audit of the Shire's operations is integral to monitoring how the Shire is tracking with its integrated strategic planning.

STRATEGIC IMPLICATIONS

The annual audit of the Shire's operations is integral to monitoring how the Shire is tracking with its integrated strategic planning. It is also important for the Shire to be geared to transition to future audits being undertaken by the Office of the Auditor General (OAG).

- **Strategic Community Plan/Corporate Business Plan:**

Ref	Objective	Strategy	Action
5.1	Ensure governance and administration systems, policies and processes are current and relevant	Review policy categories and set ongoing accountability for review processes	Review current Council and Management policies and formalise update process and timelines.

CONSULTATION

Council staff have been in contact and discussion with Council auditors throughout the past and proposed audit processes.

RISK ASSESSMENT

The most recent Management Letter and Financial Audit Report have not highlighted any significant areas of risk.

Measures of Consequence							
Rating (Level)	Health	Financial Impact	Service Interruption	Compliance	Reputational	Property	Environment
Insignificant (1)	Negligible injuries	Less than \$1,000	No material service interruption	No noticeable regulatory or statutory impact	Unsubstantiated, low impact, low profile or 'no news' item	Inconsequential or no damage.	Contained, reversible impact managed by on site response

VOTING REQUIREMENTS

NA

STAFF RECOMMENDATION

No Recommendation(s) presented or relevant to this item.

9.0 Information Items

Nil

10.0 Urgent Business Approved by the Presiding Member or by a Decision of the Committee

Nil

11.0 Closure

The Presiding Members thanked Mr Godwin, Elected Members and Staff for their attendance and closed the meeting at 5.18pm.