

# Notice of Meeting



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Dear Councillor

A meeting of the Shire of Pingelly Audit Committee will be held on Wednesday 14 December 2016 in the Council Chambers, 17 Queen Street, Pingelly commencing at 10am.

A handwritten signature in black ink, appearing to be 'G. Pollock'.

Gavin Pollock  
**Chief Executive Officer**

9 December 2016

## **DISCLAIMER**

No responsibility whatsoever is implied or accepted by the Shire of Pingelly for any act, omission or statement or intimation occurring during Council or Committee meetings or during formal/informal conversations with staff. The Shire of Pingelly 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 or discussions. Any person or legal entity that act or fails to act in reliance upon any statement does so at the person's or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or limitation of approval made by a member or officer of the Shire of Pingelly during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Pingelly. The Shire of Pingelly warns that anyone who has an application lodged with the Shire of Pingelly must obtain and only should rely on WRITTEN CONFIRMATION of the outcome of the application, and any conditions attaching to the decision made by the Shire of Pingelly in respect of the application.

## **AGENDA**

Shire of Pingelly  
Audit Committee Meeting  
14 December 2016

## **MISSION STATEMENT**

*To enhance the quality of life for the people of Pingelly through the provision of leadership, services and infrastructure.*

## **DISCLAIMER**

### **INFORMATION FOR PUBLIC ATTENDING COUNCIL MEETINGS**

#### **PLEASE NOTE:**

The recommendations contained in this agenda are officer's recommendations only and should not be acted upon until Council has resolved to adopt those recommendations.

The resolutions of Council should be confirmed by perusing the minutes of the Council meeting at which these recommendations were considered.

Members of the public should also note that they act at their own risk if they enact any resolution prior to receiving official written notification of Councils decision.

A handwritten signature in blue ink, appearing to be 'G. Pollock', written over a light blue rectangular background.

**GAVIN POLLOCK  
CHIEF EXECUTIVE OFFICER**

## **COUNCIL MEETING INFORMATION NOTES**

Your Council generally handles all business at Ordinary or Special Council Meetings.

From time to time Council may form a Committee to examine subjects and then report to Council.

Generally all meetings are open to the public; however, from time to time Council will be required to deal with personal, legal and other sensitive matters. On those occasions Council will generally close that part of the meeting to the public. Every endeavour will be made to do this as the last item of business of the meeting.

**Public Question Time.** It is a requirement of the Local Government Act 1995 to allow at least fifteen (15) minutes for public question time following the opening and announcements at the beginning of the meeting. Should there be a series of questions the period can be extended at the discretion of the Chairman.

Written notice of each question should be given to the Chief Executive Officer fifteen (15) minutes prior to the commencement of the meeting. A summary of each question and response is included in the Minutes.

When a question is not able to be answered at the Council Meeting a written answer will be provided after the necessary research has been carried out. Council staff will endeavour to provide the answers prior to the next meeting of Council.

Councillors may from time to time have a financial interest in a matter before Council. Councillors must declare an interest and the extent of the interest in the matter on the Agenda. However, the Councillor can request the meeting to declare the matter trivial, insignificant or in common with a significant number of electors or ratepayers. The Councillor must leave the meeting whilst the matter is discussed and cannot vote unless those present agree as above.

Members of staff, who have delegated authority from Council to act on certain matters, may from time to time have a financial interest in a matter on the Agenda. The member of staff must declare that interest and generally the Chairman of the meeting will advise the Officer if he/she is to leave the meeting.

Agendas, including an Information Bulletin, are delivered to Councillors within the requirements of the Local Government Act 1995, i.e. seventy-two (72) hours prior to the advertised commencement of the meeting. Whilst late items are generally not considered there is provision on the Agenda for items of an urgent nature to be considered.

Should an elector wish to have a matter placed on the Agenda the relevant information should be forwarded to the Chief Executive Officer in time to allow the matter to be fully researched by staff. An Agenda item, including a recommendation, will then be submitted to Council for consideration. The Agenda closes the Monday week prior to the Council Meeting (i.e. ten (10) days prior to the meeting).

The Information Bulletin produced as part of the Agenda includes items of interest and information, which does not require a decision of Council.

Agendas for Ordinary Meetings are available in the Shire of Pingelly Office, on the website and the Pingelly Library seventy-two (72) hours prior to the meeting and the public are invited to secure a copy.

Agenda items submitted to Council will include a recommendation for Council consideration. Electors should not interpret and/or act on the recommendations until after they have been considered by Council. Please note the Disclaimer in the Agenda (page 3).

## Public Inspection of Unconfirmed Minutes (Reg 13)

A copy of the unconfirmed Minutes of Ordinary and Special Meetings will be available for public inspection from the Shire of Pingelly Office and the Shire of Pingelly website within ten (10) working days after the Meeting.

### NOTE:

#### Unopposed Business

Upon a motion being moved and seconded, the person presiding may ask the meeting if any member opposes it.

If no member signifies opposition to the motion the person presiding may declare the motion in sub clause (1) carried without debate and without taking a vote on it,

A motion carried under sub clause (2) is to be recorded in the minutes as a unanimous decision of the Council or committee.

If a member signifies opposition to a motion the motion is to be dealt with according to this Part.

This clause does not apply to any motion or decision to revoke or change a decision which has been made at a Council or committee meeting.

## **Question Time**

This Policy provides guidance to the Presiding Member (noting the provisions of the *Local Government (Administration) Regulation 7*).

- Question time is for the asking of questions. General comments, issues for debate etc. are to be progressed through the normal procedure for submitting Agenda items for Council's consideration. Tabled correspondence will not be accepted.
- Unless the person is known to all other persons in the Chamber, the Questioner is to state their name and address prior to asking the question.
- The Questioner is to stand to address the Presiding Member, unless illness or a physical or other disability prevents him/her from doing so. All questions are to be addressed to the Presiding Member.
- The question must be immediately put and may be followed by a brief statement related to the question.
- The Presiding Member may respond to the question or may nominate a Councillor or an Officer to respond.
- Debate between the Questioner or public and a Councillor or Officer is not permitted.
- Questions may not be put by Councillors to the Questioner or other members of the public except for the purpose of clarification.
- If the Presiding Member determines that a full and complete answer is unable to be given at that time, the question may be taken on notice. In that case, an answer will be given in writing to the Questioner within 7 days and the response tabled at the next Ordinary Council meeting.
- A summary of the question and the response only is to be recorded in the minutes of the meeting.



## **Public Question Time – Statutory Provisions – Local Government Act 1995**

Time is to be allocated for questions to be raised by members of the public and responded to at: every ordinary meeting of a council; and

Such other meetings of councils or committees as may be prescribed.

Procedures and the minimum time to be allocated for the asking of and responding to questions raised by members of the public at council or committee meetings are to be in accordance with regulations.

9A. Question Time for the Public at Certain Meetings – s5.24 (1) (b)  
Local Government (Administration) Regulations 1996

Reg 5 For the purpose of section 5.24(1)(b), the meetings at which time is to be allocated for questions to be raised by members of the public and responded to are:

every special meeting of a council; and

every meeting of a committee to which the local government has delegated a power or duty.

Minimum Question Time for the Public – s5.24 (2)

Reg 6 (1) The minimum time to be allocated for the asking of and responding to questions raised by members of the public at ordinary meetings of councils and meetings referred to in regulation 5 is fifteen (15) minutes.

(2) Once all the questions raised by members of the public have been asked and responded to at a meeting referred to in sub regulation (1), nothing in these regulations prevents the unused part of the minimum question time period from being used for other matters.

Procedures for Question Time for the Public – s5.24 (2)

Local Government (Administration) Regulations 1996

Reg 7 (1) Procedures for the asking of and responding to questions raised by members of the public at a meeting referred to in regulation 6 (1) are to be determined:

by the person presiding at the meeting; or

in the case where the majority of members of the council or committee present at the meeting disagree with the person presiding, by the majority of members, having regard to the requirements of sub regulations (2) and (3).

The time allocated to the asking and responding to questions raised by members of the public at a meeting referred to in regulation 6(1) is to precede the discussion of any matter that requires a decision to be made by the council or the committee, as the case may be.

Each member of the public who wishes to ask a question at a meeting referred to in regulation 6(1) is to be given an equal and fair opportunity to ask the question and receive a response.

Nothing in sub regulation (3) requires:

A council to answer a question that does not relate to a matter affecting the local government;

A council at a special meeting to answer a question that does not relate to the purpose of the meeting; or

A committee to answer a question that does not relate to a function of the committee.

SHIRE OF PINGELLY

DISCLOSURE OF INTERESTS

TO THE CHIEF EXECUTIVE OFFICER:

Under the Provisions of Division 6 of Part 5 of the Local Government Act 1995, I hereby disclose a Financial Interest/s in the matter/s listed on this form, which is/are scheduled for consideration at the meeting of Council to be held on:

14 December 2016
------------------

\_\_\_\_\_  
(Print Name)

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Date)

NOTE: Members of Council are asked to deliver this completed form to the Chief Executive Officer on the day of the Council Meeting as required by the Act. Where this is not practicable the Disclosure/s may be telephoned to the Council Office on 9887 1066 and/or the form subsequently passed to the Chief Executive Officer prior to the meeting.

ITEM NO	PAGE NO	TYPE	REASON

## DISCLOSURE OF FINANCIAL INTEREST, PROXIMITY INTEREST AND/OR INTEREST AFFECTING IMPARTIALITY

Chief Executive Officer, Shire of Pingelly

In accordance with Section 5.60-5.65 of the *Local Government Act* and Regulation 34(B) and 34(C) of the *Local Government (Administration) Regulations* and Regulation 11 of the *Local Government (Rules of Conduct) Regulations*, I advise you that I declare a ( appropriate box):

- financial interest (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.

- proximity interest (Section 5.60B)

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

- interest affecting impartiality (Regulation 11). I disclose that I have an association with the applicant. As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly.

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 but does not include a financial or proximity interest as referred to in section 5.60.

## SHIRE OF PINGELLY

*Agenda for the Shire of Pingelly Audit Committee meeting to be held in the Council Chamber, 17 Queen Street, Pingelly on Wednesday, 14 December 2016 – commencing at 10am.*

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**1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

The Chairman to declare the meeting open.

**1.1 Welcome to Country**

I respectfully acknowledge the past and present traditional owners of this land on which we are meeting, the Noongar people. It is a privilege to be standing on Noongar country. I also acknowledge the contributions of Aboriginal Australians and non-Aboriginal Australians to the security and wellbeing of all the people of this country where we live and that we share together – Australia.

**2. RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE**

**3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**

Nil

**4. PUBLIC QUESTION TIME**

**5. APPLICATIONS FOR LEAVE OF ABSENCE**

**6. DISCLOSURES OF INTEREST**

The *Local Government Act* (Section 5.60 – 5.62) provides that it is the Councillor's obligation to declare an interest if they believe that they have a financial interest, proximity interest, closely associated persons interest or an interest affecting impartiality in a matter being discussed by Council.

The Act provides that the interest may be declared in writing to the Chief Executive Officer prior to the meeting or declared prior to discussion of the agenda item at the meeting. Forms for this purpose are available to Councillors.

The Act further provides that the extent of the interest needs to be declared if the Councillor seeks to remain in the Chamber during the discussion, debate or voting on the item.

A Councillor declaring a financial or proximity interest must leave the meeting prior to the matter being discussed or voted on (including the question as to whether they are permitted to remain in the Chamber). Councillors remaining in the Chamber may resolve to allow the member to return to the meeting to participate in the proceedings.

**7. CONFIRMATION OF MINUTES AND REPORTS**

**7.1 Audit Committee Meeting – 27 June 2016**

**Statutory Environment:**

Section 5.22 of the Local Government Act provides that minutes of all meeting to be kept and submitted to the next ordinary meeting of the council or the committee, as the case requires, for confirmation.

**Voting Requirements:**

Simple Majority

**Recommendation:**

**That the Minutes of the Audit Committee of the Shire of Pingelly held in the Council Chambers on 27 June 2016 be confirmed.**

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

**8. ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION**

**9. PETITIONS / DEPUTATIONS / PRESENTATIONS / SUBMISSIONS**

## **10. BUSINESS**

### **10.1 Audited Annual Financial Report 2016**

**File Reference:** 00144  
**Location:** Shire of Pingelly  
**Applicant:** Stuart Billingham, Director Corporate & Community Services  
**Author:** Stuart Billingham, Director Corporate & Community Services  
**Date:** 5 December 2016  
**Disclosure of Interest:** Nil  
**Attachments:** Annual Financial Report 2016 (Attachment 1 following blue cover sheet)

#### **Summary:**

Council is required to receive the Annual Financial Report for the Financial Year ending 30<sup>th</sup> June 2016.

#### **Background:**

Section 7.9 of the *Local Government Act 1995* requires an audit to be undertaken and, on its completion, submitted to the Shire President and Chief Executive Officer of the Local Government, and to the Minister for Local Government.

It is a requirement that the Annual Audit be completed by 31 December following the close of the financial year. The audit was commenced on-site by AMD Chartered Accountants on 14<sup>th</sup> November to 16<sup>th</sup> November 2016. The Statutory Report and Management letter has been completed by AMD Chartered Accountants and received by the Shire President, Chief Executive Officer and Director Corporate & Community Services. The Auditor's Management Report is submitted to the Shire of Pingelly Audit Committee for further consideration.

#### **Comment:**

The Statutory Annual Financial Report for 2015/2016 has now been completed and is included as an attachment to this document. This Report will be available to the Public and Electors prior to the Annual Electors Meeting, subject to its acceptance by Council.

No statutory or non-compliance matters were raised in the Auditor's Report to the Shire President of the Shire of Pingelly. AMD's auditors indicated that procedures and controls in respect to the Shire of Pingelly internal controls, processes, procedures and financial reporting framework are adequately designed and have been maintained to adequate standards throughout the audit period subject to the comments and recommendations within the Management Report.

#### **Consultation:**

AMD Chartered Accountants  
Chief Executive Officer  
Beverley Webb – Jiriki Management  
Bob Waddell – Local Government Consultant

#### **Statutory Environment:**

*Local Government Act 1995 and Regulations*

#### **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.
- (3) A local government is to examine the report of the auditor prepared under section 7.9(1), and any report prepared under section 7.9(3) forwarded to it, and is to -
  - (a) determine if any matters raised by the report, or reports, require action to be taken by the local government; and
  - (b) ensure that appropriate action is taken in respect of those matters.
- (4) A local government is to -
  - (a) prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and
  - (b) forward a copy of that report to the Minister, by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.

*[Section 7.12A inserted by No. 49 of 2004 s. 8.]*

### **7.13. Regulations as to audits**

- (1) Regulations may make provision —
  - (aa) as to the functions of the CEO and the audit committee in relation to audits carried out under this Part and reports made on those audits;
  - (ab) as to the functions of audit committees, including the selection and recommendation of an auditor;
  - (ac) as to the procedure to be followed in selecting an auditor;
  - (ad) as to the contents of the annual report to be prepared by an audit committee;
  - (ae) as to monitoring action taken in respect of any matters raised in a report by an auditor;
    - (a) with respect to matters to be included in agreements between local governments and auditors;
    - (b) for notifications and reports to be given in relation to agreements between local governments and auditors, including any variations to, or termination of such agreements;
    - (ba) as to the copies of agreements between local governments and auditors being provided to the Department;
    - (c) as to the manner in which an application may be made to the Minister for approval as an auditor;
    - (d) in relation to approved auditors, for —
      - (i) reviews of, and reports on, the quality of audits conducted;
      - (ii) the withdrawal by the Minister of approval as an auditor;
      - (iii) applications to the State Administrative Tribunal for the review of decisions to withdraw approval;
    - (e) for the exercise or performance by auditors of their powers and duties under this Part;
    - (f) as to the matters to be addressed by auditors in their reports;
    - (g) requiring auditors to provide the Minister with such information as to audits carried out by them under this Part as is prescribed;
    - (h) prescribing the circumstances in which an auditor is to be considered to have a conflict of interest and requiring auditors to disclose in their reports such information as to a possible conflict of interest as is prescribed;
    - (i) requiring local governments to carry out, in the prescribed manner and in a form approved by the Minister, an audit of compliance with such statutory requirements as are prescribed whether those requirements are —
      - (i) of a financial nature or not; or
      - (ii) under this Act or another written law.

(2) Regulations may also make any provision about audit committees that may be made under section 5.25 in relation to committees.

*[Section 7.13 amended by No. 64 of 1998 s. 40; No. 49 of 2004 s. 9; No. 55 of 2004 s. 700.]*

### **Local Government (Financial Management) Regulations 1996**

#### **51. Annual financial report to be signed etc. by CEO and given to Department**

(1) After the annual financial report has been audited in accordance with the Act the CEO is to sign and append to the report a declaration in the form of Form 1.

(2) A copy of the annual financial report of a local government is to be submitted to the Departmental CEO within 30 days of the receipt by the local government's CEO of the auditor's report on that financial report.

*[Regulation 51 amended in Gazette 18 Jun 1999 p. 2639; 20 Jun 2008 p. 2726.]*

### **Local Government (Administration) Regulations 1996**

#### Part 3 — Electors' meetings

*[Heading inserted in Gazette 26 Aug 2011 p. 3482.]*

#### **15. Matters to be discussed at general meeting (Act s. 5.27(3))**

For the purposes of section 5.27(3), the matters to be discussed at a general electors' meeting are, firstly, the contents of the annual report for the previous financial year and then any other general business.

#### **16. Request for special meeting, form of (Act s. 5.28(2))**

A request for a special meeting of the electors of a district is to be in the form of Form 1.

#### **17. Voting at meeting (Act s. 5.31)**

(1) Each elector who is present at a general or special meeting of electors is entitled to one vote on each matter to be decided at the meeting but does not have to vote.

(2) All decisions at a general or special meeting of electors are to be made by a simple majority of votes.

(3) Voting at a general or special meeting of electors is to be conducted so that no voter's vote is secret.

#### **18. Procedure at meeting (Act s. 5.31)**

Subject to regulations 15 and 17, the procedure to be followed at a general or special meeting of electors is to be determined by the person presiding at the meeting.

### **5.27. Electors' general meetings**

(1) A general meeting of the electors of a district is to be held once every financial year.

(2) A general meeting is to be held on a day selected by the local government but not more than 56 days after the local government accepts the annual report for the previous financial year.

(3) The matters to be discussed at general electors' meetings are to be those prescribed.

If Council adopts the Annual Report at its Council Meeting 14 December 2016, then in accordance with statutory requirements, Council must give a minimum of 14 days' notice in calling the Annual Electors Meeting following acceptance of the Annual Report. It is recommended that the Electors General Meeting be held on the evening of Wednesday 8 February 2017 in the Council Chambers, 17 Queen Street, Pingelly, commencing at 7:00 pm.

### **Policy Implications:**

Nil

**Financial Implications:**

Nil

**Strategic Implications:**

While there are no direct strategic implications in receiving the Shire of Pingelly Statutory Annual Financial Report, the Auditors Management Report raises commentary regarding the Shire's financial ratios.

These comments need to be taken into account in Council future Financial decisions including when reviewing the Shire's Integrated Planning Documents such as Asset Management Plans, Corporate Business Plan and Long Term Financial Plan.

**Voting Requirements:**

Simple Majority

**Recommendation:**

**That the Audit Committee recommends to Council that it:**

- 1. accepts the Shire of Pingelly Annual Report for the Financial Year ended 30<sup>th</sup> June 2016;**
- 2. receives the Audit Report for 2015/16 from AMD Chartered Accountants;**
- 3. holds its Annual Electors Meeting in the Council Chambers, 17 Queen Street, Pingelly to be held on Wednesday 8 February 2017 at 7:00pm;**
- 4. submits a copy of the Shire of Pingelly Statutory Annual Financial Report to the Executive Director of the Department of Local Government and Communities as required by Local Government (Financial Management) Regulations clause 51(2).**

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

## **10.2 Audit Management Letter**

**File Reference:** 00144  
**Location:** Shire of Pingelly  
**Applicant:** Stuart Billingham, Director Corporate & Community Services  
**Author:** Stuart Billingham, Director Corporate & Community Services  
**Date:** 5 December 2016  
**Disclosure of Interest:** Nil  
**Attachments:** Audit Management Letter 2016 (Attachment 2 following blue cover sheet)

### **Summary:**

Audit Committee is required to consider the contents of the Annual Management Report for the Financial Year ending 30<sup>th</sup> June 2016.

### **Background:**

As part of the Annual Final Audit the Auditor's Management Report is submitted to the Shire of Pingelly Audit Committee for further consideration.

Matters raised by the auditor are as follows;

### **7.0 Financial Ratio Performance Measures**

A review of Shire of Pingelly's financial ratios as included within Note 19 of the financial report indicates the following adverse trends based on Department of Local Government and Communities guidelines:

- The operating surplus ratio as at 30 June 2016 is calculated at -0.72 (a basis standard is achieved if the ratio is between 0.01-0.15); and
- The debt service ratio as at 30 June 2016 is calculated at 0.09 (a basic standard is achieved if the ratio is greater than or equal to 2).

We recommend Council continue to consider the impact on ratios and long term sustainability when making decisions regarding asset renewal, additional borrowings and setting rates for future years.

We note the following Shire of Pingelly ratios were within Department guidelines:

- Current ratio as at 30 June 2016 is calculated at 1.05 (a basic standard is achieved if the ratio is greater than 1);
- Asset sustainability ratio as at 30 June 2016 is calculated at 1.60 (a basic standard is achieved if greater than 0.9);
- Own source revenue ratio as at 30 June 2016 is calculated at 0.48 (a basic standard is achieved if between 0.4-0.6);
- Asset consumption ratio as at 30 June 2016 is calculated at 0.62 (a basis standard is achieved if greater than 0.5); and
- Asset renewal funding ratio as at 30 June 2016 is calculated at 0.77 (a basic standard is achieved if between 0.75-0.95).

Copy of the Department of Local Government and Communities Operational Guidelines No18 for Financial Ratios is submitted as a separate attachment for further information.

## **1. EMPLOYEE PROVISIONS**

### ***Finding Rating: Minor***

We note the provision for annual leave reconciliation provided to us by management at commencement of the audit included various errors. Subsequent to our visit, management have completed a full review of employee provisions and the annual leave reconciliation has been updated.

This has identified a \$26,221 variance between the annual leave reconciliation as determined by management and provision for annual leave balance reported in the financial statements. This variance is deemed immaterial at an overall financial report level and has not been adjusted for in the 30 June 2016 financial statements.

### **Implication**

Risk of misstatement of employee provisions.

### **Recommendation**

We recommend reconciliations of employee provisions is completed regularly during the year.

### **Management Comment**

Shire staff and consultant with IT Vision have updated SynergySoft with correct annual leave figures. Manual Spreadsheets being run in conjunction with SynergySoft to ensure systems align figures will be reviewed fortnightly to ensure if any errors are identified they can be rectified in a timely manner.

## **2. PURCHASE ORDERS**

### ***Finding Rating: Minor***

During our testing of payments on a sample basis we identified instances whereby purchase orders were dated after the invoice date (examples can be provided upon request).

### **Implication**

Risk of unauthorised goods and services being purchased and liabilities being incurred.

### **Recommendation**

We recommend purchase orders be used for all purchases with exception of utilities and regular payments. These purchase orders should be authorised as approval that the goods or services are to be ordered.

### **Management Comment**

Management to ensure all Purchase Orders are raised prior to Goods and Services being ordered.

## **3. CREDIT CARDS**

### ***Finding Rating: Minor***

We acknowledge Council has a documented credit card policy including requirements whereby credit card statements are independently reconciled by the senior finance officer, matched to supplier invoices and individual payments approved by Council. We note however, there is no formal credit card statement sign off to evidence independent review occurring.

### **Implication**

Increased risk of fraud or error.

**Recommendation**

We recommend monthly credit card statements be signed off by someone independent of the reconciliation function to evidence review occurring.

**Management Comment**

New procedure in place to have Director of Technical Services or other Senior officer independently review works by the second Finance Officer preparing reconciliation report.

**4. RATES MODEL**

***Finding Rating: Minor***

We note the information in the rates model provided to us by management did not agree to the 30 June 2016 budget adopted by Council, whereby there were variances identified in respect of property numbers and rateable values.

**Implication**

Risk of misstatement of rates revenue.

**Recommendation**

Please ensure rate model details agrees to the budget.

**Management Comment**

Due to the late receipt of a single valuation from Landgate between rate modelling and adoption of Annual Budget.

**5. COMPLAINTS HANDLING PROCEDURE**

***Finding Rating: Minor***

We noted there is no formal complaints handling procedure policy.

**Implication**

Lack of formal documented procedures in respect of complaint handling and resolution.

**Recommendation**

We recommend a complaints handling procedure be prepared and adopted by Council.

**Management Comment**

Management believes a Complaints Handling Policy is not a requirement and has implemented an adequate complaints handling procedure. See attachment.

**6. TERMINATION OF EMPLOYEES**

***Finding Rating: Minor***

We noted there is no formal termination checklist in place for when an employee either resigns or is terminated, to ensure all tasks relating to the employee's termination have been completed.

**Implication**

Risk of tasks required to be undertaken following an employee's departure not being completed on a timely basis.

**Recommendation**

We recommend a formal termination checklist be developed which is required to be completed upon termination of an employee and signed off once completed. Items which may be relevant to include on the termination checklist would vary according to the individual employee’s role, and may include sign off in respect to:

- Return of laptop, computers and accessories;
- Return of gate key / office key and updating of register;
- Return of business cards;
- Removal from IT access;
- Redirect team member’s emails for one month to an alternative employee;
- Disable team member from company login system;
- Update payroll database;
- Email team member for updated postal address for sent PAYG; and
- Alarm codes to be deactivated.

**Management Comment**

Management has no formal written process however this is undertaken by the CEO as part of the reversal of the induction process as identified on the personnel file on termination.

**Consultation:**

AMD Chartered Accountants  
Chief Executive Officer  
Beverley Webb – Jiriki Management  
Bob Waddell – Local Government Consultant

**Statutory Environment:**

*Local Government Act 1995 and Associated Regulations*

**Recommendation:**

**That the Audit Committee recommends to Council that it notes the comments on the Audit Management Letter by management with no further actions required to be undertaken by the Chief Executive Officer.**

Moved: \_\_\_\_\_ Seconded: \_\_\_\_\_

**11. CLOSURE**

The Chairman to declare the meeting closed.