



Shire of Pingelly

Minutes

Audit Committee Meeting
2 May 2018

SHIRE OF PINGELLY

Minutes of the Audit Committee Meeting of the Shire of Pingelly held in the Council Chambers, 17 Queen Street, Pingelly on 2 May 2018 at 11am.

Contents

1.	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS	3
1.1	ACKNOWLEDGEMENT OF COUNTRY	3
2.	RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE	3
3.	RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE.....	3
4.	PUBLIC QUESTION TIME	3
5.	APPLICATIONS FOR LEAVE OF ABSENCE	3
7.	CONFIRMATION OF MINUTES AND REPORTS.....	4
7.1	Audit Committee Meeting – 18 April 2018.....	4
8.	ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION	4
9.	PETITIONS / DEPUTATIONS / PRESENTATIONS / SUBMISSIONS	4
10.	BUSINESS	5
10.1	Financial Management System Review - January 2018.....	5
11.	CLOSURE OF MEETING	7

MEMBERS PRESENT

Cr WV Mulroney	President
Cr DI Freebairn	Deputy President
Cr JM Walton-Hassell	
Cr BW Hotham	
Cr J McBurney	
Cr P Wood	
Cr EJ Hodges	

STAFF IN ATTENDANCE

Mr G Pollock	Chief Executive Officer
Mr S Billingham	Director Corporate & Community Services
Mr B Gibbs	Director Technical Services
Mrs L Boddy	Executive Assistant

APOLOGIES

Nil

OBSERVERS & VISITORS

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chairman declared the meeting open at 11.03am.

1.1 ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Noongar people of this area and recognise their continuing connection to land, waters and community. We pay respect to both the Aboriginal and non-Aboriginal people and past and present.

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

Nil

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

4. PUBLIC QUESTION TIME

Question time commenced at 11.04am and as no members of the public were present question time closed at 11.04am.

5. APPLICATIONS FOR LEAVE OF ABSENCE

N/A

7. CONFIRMATION OF MINUTES AND REPORTS

7.1 Audit Committee Meeting – 18 April 2018

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

12410 Moved: Cr McBurney

Seconded: Cr Wood

Recommendation:

That the Minutes of the Audit Committee of the Shire of Pingelly held in the Council Chambers on 18 April 2018 be confirmed.

Carried 7:0

8. ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

Nil

9. PETITIONS / DEPUTATIONS / PRESENTATIONS / SUBMISSIONS

Nil

10. BUSINESS

10.1 Financial Management System Review - January 2018

File Reference: ADM0074
Location: Shire of Pingelly
Applicant: Stuart Billingham, Director Corporate & Community Services
Author: Stuart Billingham, Director Corporate & Community Services
Date: 24 April 2018
Disclosure of Interest: Nil
Attachments: Financial Management System Review - January 2018 (Attachment 1 following green cover sheet)

Summary:

Submission of the Shire of Pingelly Financial Management System Review January 2018 to Audit Committee for recommendation to Council for consideration of receiving.

Background:

The procedures were performed by AMD solely to assist the CEO in satisfying his duty under Section 6.10 of the Local Government Act 1995 and Regulation 5(1) of the Local Government (Financial Management) Regulations 1996.

Under the *Local Government Act 1995* section 6.10 states:

6.10. Financial management regulations

Regulations may provide for —

- (a) the security and banking of money received by a local government; and
- (b) the keeping of financial records by a local government;
and
- (c) the management by a local government of its assets, liabilities and revenue; and
- (d) the general management of, and the authorisation of payments out of —
 - (i) the municipal fund; and
 - (ii) the trust fund,of a local government.

Regulation 5(1) of the *Local Government (Financial Management) Regulations 1996* states:

5. CEO's duties as to financial management

- (1) Efficient systems and procedures are to be established by the CEO of a local government —
 - (a) for the proper collection of all money owing to the local government; and
 - (b) for the safe custody and security of all money collected or held by the local government; and
 - (c) for the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process); and
 - (d) to ensure proper accounting for municipal or trust —
 - (i) revenue received or receivable; and
 - (ii) expenses paid or payable; and
 - (iii) assets and liabilities;and

- (e) to ensure proper authorisation for the incurring of liabilities and the making of payments; and
- (f) for the maintenance of payroll, stock control and costing records; and
- (g) to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.

(2) The CEO is to —

- (a) ensure that the resources of the local government are effectively and efficiently managed; and
- (b) assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and
- (c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 4 financial years) and report to the local government the results of those reviews.

[Regulation 5 amended in Gazette 31 Mar 2005 p. 1047 and 1053.]

The Shire of Pingelly engaged AMD Chartered Accountants to undertake the Financial Management System Review on behalf of the Chief Executive Officer. The review was conducted on the week commencing 29th January 2018 to 1 February 2018.

Comment:

The last Shire of Pingelly Financial Management System Review was last undertaken item 11.2.3 in 18 June 2014 Ordinary Council Meeting and was due in June 2018, as it is required to be undertaken every four (4) years.

Please refer to the separate attachment for management comments on the points raised by the Auditors.

The focus areas are detailed below:

- Section 1 - Collection of money;
- Section 2 - Custody and security of money;
- Section 3 - Maintenance and security of the financial records;
- Section 4 - Accounting for municipal or trust transactions;
- Section 5 - Authorisation for incurring liabilities and making payments;
- Section 6 - Maintenance of payroll, stock control and costing records; and
- Section 7 - Preparation of budgets, budget reviews, accounts and reports required by the Act or the regulations.

Consultation:

Shire of Pingelly Audit Committee
Chief Executive Officer
AMD Chartered Accountants

Statutory Environment:

Local Government Act 1995 section 6.10

Local Government (Financial Management) Regulations 1996 Regulation 5(1) and (2).

Policy Implications:

Nil.

Financial Implications:

Future allocations of Staff time and resources to address matters raised in the Report requiring further remedial action.

Strategic Implications:

Shire of Pingelly Long Term Financial Plan.

Strategy 4.5.1: Provide a full range of financial services to support Shire’s operations and to meet planning, reporting and accountability requirements.

Voting Requirements:

Simple Majority.

12411 Moved: Cr Wood

Seconded: Cr McBurney

Recommendation:

That the Audit Committee recommends to Council that it receives:

1. the minutes of the Audit Committee dated 2 May 2018.
2. the Financial Management System Review - January 2018, findings and recommendations as presented; noting further actions required by the Chief Executive Officer.

Carried 7:0

11. CLOSURE OF MEETING

The Chairman declared the meeting closed at 11.36am.

These minutes were confirmed by Council at the Audit Committee Meeting held on

Signed.....
Presiding Person at the meeting at which the minutes were confirmed.