

Minutes of the Audit Committee Meeting of Council held on 27th January, 2019 in the Council Chambers, Hutchison Street, Coober Pedy, commencing at 4:00 pm.

1. OPENING

The meeting commenced at 4:00 pm.

2. ATTENDANCE RECORD

In Attendance

Presiding Member:	Mr Neville Hall (by telephone)
Committee Members:	Mr Tim Jackson
	Ms Kath Mitchell
	Mr Richard Younger

Staff and others present

Acting Chief Executive Officer:	Colin Pitman
Finance Manager:	Ravi Ravikumaran
Financial Adviser:	David Hope

Apologies

Nil

3. MINUTES OF THE PREVIOUS MEETING

Moved: Ms. K. Mitchell

Seconded: Mr N. Hall

That the Minutes of the Audit Committee Meeting of Council held on 28 September 2018 be adopted.

CARRIED

3.1 2017/18 ANNUAL FINANCIAL STATEMENTS

The draft financial statements for 2017/18, in abbreviated form, were presented for discussion.

Members asked for further information on:

- The apparent reduction in grant funds received in comparison to the previous financial year;
- The difference in the revenue received for the fuel excise rebate in comparison to the previous financial year;
- The lower employee costs in comparison to the previous financial year; and
- The significant increase in revenue from user charges in comparison to the previous financial year.

There was no increase in the provision for doubtful debts. This should be reviewed in the light of the increase in Trade and Other Receivables.

Members requested an aged listing of all debtors be presented at the February 2019 Audit Committee meeting.

3.2 AUDIT COMMITTEE WORK PROGRAM

The Audit Committee Work Program for the period December 2018 to December 2019 was reviewed

An updated work program forms part of these minutes.

3.3 WORK PLAN TO RECTIFY DEFICIENCIES IDENTIFIED IN THE 2016/17 FINANCIAL STATEMENTS

An update on the current status of the work plan was presented.

A further update will be provided at the February 2019 Audit Committee meeting.

3.4 DRAFT LONG TERM FINANCIAL PLAN

A presentation was made on the range of options currently being considered to include in the Long Term Financial Plan to achieve financial sustainability.

A further update will be provided at the February 2019 Audit Committee meeting.

3.5 ANY OTHER BUSINESS

A copy of the newly developed Council Calendar was provided to members. The purpose of this calendar is to improve the capacity of the Council to meet the compliance requirements of the Local Government Act 1999.

It was agreed that the meeting frequency of the Audit Committee needed to be increased in the short term to provide additional scrutiny of the Council's financial position and to make recommendations for improvements as the Council works to overcome its poor financial position and to respond to remedying the deficiencies outlined in the report of the Auditor-General of 4 December 2018.

Information/analysis/modelling was requested on the impact of the installation of solar panels on electricity usage.

4. **CLOSURE**

The meeting closed at 6:21 pm

The next meeting of the Audit Committee will be held on 19 February 2019 at 4:00 pm in the Council Chambers.

District Council of Coober Pedy

Audit Committee Work Program for the period December 2018 to December 2019

Activity	Timeframe/Meeting	Current Status/Outcomes/Benefits Achieved	Date Completed	Follow-up Action
1. Financial Reporting				
1.1 Review draft financial statements for 2017/18.	December 2018	Further information requested on a number of issues, including a review of the provision for bad debts.		February 2019 meeting - receive report on further issues.
1.2 Review Work Plan to rectify deficiencies identified in the 2016/17 financial report by the Council's Auditor and progress towards rectification.	December 2018	Update provided to January 2019 meeting of current actions.		February 2019 meeting - further review progress in rectifying deficiencies. Refer Item 1.5.
1.3 Receive and review revised forecast for the 2018/19 budget.	February 2019			
1.4 Review audited financial statements for 2017/18, including the Auditor's Management Letter. (Potential for verbal report from Council's Auditor.)	February 2019			May 2019 meeting - review progress in resolving issues raised in Auditor's Management Letter for 2017/18 financial statements.
1.5 Review further progress in rectifying deficiencies identified in the 2016/17 financial statements by the Council's Auditor.	February 2019			
1.6 Receive and review revised forecast for the 2018/19 budget.	February 2019			
1.7 Receive and review report on progress in resolving issues raised in Auditor's Management Letter.	May 2019			
1.8 Receive report on 3rd Quarter 2018/19 financial performance.	May 2019			
1.9 Presiding Member (and CEO) to provide certificate of auditor independence for 2018/19 financial year.	August 2019			
1.10 Review Draft Annual Financial Statements for 2018/19	August 2019			

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Audit Committee Work Program for the period December 2018 to December 2019

Activity	Timeframe/Meeting	Current Status/Outcomes/Benefits Achieved	Date Completed	Follow-up Action
1.11 Review audited financial statements for 2018/19 and Auditor's Management letter. (Potential for verbal report from Council's Auditor.)	November 2019			February 2020 meeting - review progress in resolving issues raised in Auditor's Management Letter for 2018/19 financial statements.
1.12 Receive report on Quarter 1 2019/20 financial performance.	November 2019			
2. Strategic and Annual Planning				
2.1 Receive and review Draft Long Term Financial Plan	December 2018	Presentation on the current options being considered to improve financial sustainability.		February 2019 meeting - receive and review updated draft Long Term Financial Plan
2.2 Receive Long Term Financial Plan	February 2019			
2.3 Receive and review report on Asset Management project	February 2019			
2.4 Review Draft Annual Business Plan and Budget for 2019/20	May 2019			
2.5 Receive and review report on Asset Management project	May 2019			
2.6 Receive and review report on Asset Management project	August 2019			
2.7 Review Draft revised Infrastructure and Asset Management Plan	August 2019			
3. Internal Controls and Risk Management Systems				
3.1 Receive and review report on the progress of the Internal Controls Framework project.	February 2019			
3.2 Receive and review report on the progress of the Internal Controls Framework project.	May 2019			
3.3 Receive and review report on Risk Register project.	May 2019			August 2019 meeting - further review of Risk Register project.
3.4 Receive and review report on Risk Register project.	August 2019			November 2019 meeting - further review of Risk Register project.

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Audit Committee Work Program for the period December 2018 to December 2019

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3.5 Receive and review report on Risk Register project.	November 2019			
3.6 Review Draft Risk Management Plan.	November 2019			
4. Annual Report				
4.1 Review Annual Report for 2018/19.	November 2019			
5. Financial Governance and Policies				
5.1 Review the Council's targets for financial performance indicators for adequacy.	February 2019			Next review - February 2020
5.2 Assess the efficacy of new and reviewed Council policies	February 2019			
5.3 Assess the efficacy of new and reviewed Council policies	May 2019			
5.4 Assess the efficacy of new and reviewed Council policies	August 2019			
5.5 Assess the efficacy of new and reviewed Council policies	November 2019			
5.6 Review list of policies scheduled for review in 2020.	November 2019			
6. Audit Committee Operations				
6.1 Review and endorse Audit Committee Work Program for December 2018 to December 2019	December 2018	Work program received and discussed. Agreed it would be a 'living document'.		February 2019 meeting - review to ensure Work Program remains current
6.2 Update Audit Committee Work Program for status and necessary changes.	December 2018	Updated after January 2019 meeting		February 2019 meeting - Agenda to include Items 1.1, 1.2, 1.3, 1.4, 1.5, 2.1, 2.2, 2.3, 3.1, 5.1, 5.2, 6.1 & 6.2
6.3 Update Audit Committee Work Program for status and necessary changes.	May 2019			
6.4 Annual Report to Council on 2018/19 activities.	August 2019			
6.5 Update Audit Committee Work Program for status and necessary changes.	August 2019			

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Audit Committee Work Program for the period December 2018 to December 2019

Activity	Timeframe/Meeting	Current Status/Outcomes/Benefits Achieved	Date Completed	Follow-up Action
6.6 Update Audit Committee Work Program for status and necessary changes.	November 2019			
6.7 Review and endorse Audit Committee Work Program for 2020	November 2019			
Scheduled Meetings 18 December 2018 19 February 2019 15 May 2019 20 August 2019 19 November 2019				