

Flinders Council AUDIT PANEL

Unconfirmed Minutes

Date: Thursday 10th of December 2015

Time: 10.30am

Location: Rose Garden Room, Flinders Arts and Entertainment Centre
Whitemark

Present: Chair Mr John Dick
Ms Diana Droog
CI Ken Stockton
CI Gerald Willis

Staff present: General Manager Mr Raoul Harper
Corporate Services Manager Ms Sophie Pitchford

Confirmation of Minutes

Audit and Finance Special Committee meeting of the 6th of October 2015

Decision

That the Audit Panel approves the minutes as a true and correct record of the meeting held 6th of October 2015 and records that no matters were outstanding.

Moved: Diana Droog Seconded CI Willis
Unanimous

Declaration of Pecuniary Interest

None declared

Agenda Items:

Item 1)

Issues arising out of the Tasmanian Audit Office letter of October 28th 2015.

Council's response to the 5 points raised in the letter.

1. Issue: Council does not have a Disaster Recovery Plan

Response: [Agreed and included in the 2015/16 Annual Plan. This was discussed in detail at the October meeting and minutes from that meeting note the management response.](#)

2. Issue: Council does not disclose an obligation to carry out site rehabilitation works at the Whitemark Landfill site.

Response: Management agrees that this as a key area to address. An allocation of funds is in the 2015/16 budget to support the engagement of a consultant to produce a long term environmental options report which will guide Council in estimated the useful life for the Whitemark Tip.

3. Issue: No Service Level Agreement in place with Another Computer Store

Response: Management recognise a service level agreement may result in improved performance between the customer and the service provider. Given the remote nature of the Island where Council is situated and the highly variable nature of the data services including speed, reliability and quality any service level agreement will be heavily impacted by these known issues with the telecommunications system itself. The value of the agreement will be moreover based around the responsibilities of each party in relation to service level expectations.

4. Issue: Treatment of revaluation increments

Response: A mistake was recognised however as it was deemed to be immaterial by management and the auditors, corrective action will be taken in 2015-16.

5. Issue It was recommended that Council makes an assessment of its business activities and identify which of those activities are significant.

Response: It was agreed and will be reviewed in the 2015/16 financials. The nature of the islands and the responsibility for Council to deliver services such as the airport and private works has changed and the amount of private works is increasing and will increase further as Council continues to build capacity as an infrastructure service provider.

Item 2)

Issues arising out of the Tasmanian Audit Office letter attachment

1. Remuneration Disclosures

Flinders Council records remunerations in its Annual Report in absolute compliance with the requirements of the Local Government Act 1993. The Auditor-General's recommendation do not align with the Act and will; not be adopted.

A review of salaries with the Australian average (MacArthur Review) could be an action for the Panel at some time in the future. This would be important research for Council prior to any new EA negotiations.

2. Land under Roads

Flinders Council recognised Land under Roads for the first time in the 14/15 financials in accordance with the Australian Accounting Standard 1051.

3. Audit Summary- Local Government

There were 9 key areas of interest identified in the draft recommendations.

- a) How many have relevance to the Flinders Council
- b) How are the relevant issues being addressed?

Adoption of recommendations from the Infrastructure Financial Accounting in Local Government Report

There were 24 recommendations made in the Report. Council has adopted most of the recommendations and working through others. For instance, Council will be reviewing the useful lives of the road asset network to ensure that the value of depreciation calculated and recognised remains relatively accurate and to support ongoing asset renewal planning.

Local Government Ministerial Orders - Council has implemented the requirements of the Ministerial Orders.

Significant Business Activities – to be reviewed in the 15/16 Financials Infrastructure – no issues

Information Systems – service agreement needs to be employed.

Credit Card administration – no issues

Transfer of land – no relevance

Item 3)

Other Business

The depreciation of gravel roads is a key issue that requires further consideration and exploration by the Panel in the future.

Annual work plan for the panel will need to be considered over the coming period.

Meeting ended.

Next meeting to be held on the 23rd of February 2016.