

Flinders Council AUDIT PANEL

Unconfirmed Minutes

Date: Friday 3rd February 2017

Time: 10.30am

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

Present: Chair Mr John Dick
Ms Diana Droog
Cl Ken Stockton

Apologies: Cl. Gerald Willis

Staff present: General Manager Mr Bill Boehm
Corporate Services Manager Mrs Sophie Pitchford

Confirmation of Minutes

Audit and Finance Special Committee meeting of the 26th July 2016.

Decision

That the Audit Panel approves the minutes as a true and correct record of the meeting held 26th of July 2016 and records that no matters were outstanding.

Moved: K Stockton Seconded: D Droog
Unanimous

Declaration of Pecuniary Interest

None declared

Agenda Items:

Agenda

Item 2:
No issues arising from the previous meeting

Item 3:

A general discussion was had about the annual plan and how best to measure the actions identified in the plan.

A brief review of the 2016/17 budget allowed for some insight into a number of variances. The Audit Panel will review the 2016 Budget once Council has conducted the half yearly budget review.

Recommendation:

- (i) Council consider numeric KPI's where practical for ongoing measurements when setting the Annual Plan for 2017/18.**
- (ii) Council look to formulate a database of statistics relevant to the Island.**
- (iii) The General Manager to have a discussion with Sharp regarding how Council and Sharp can work together to capture the reason why passengers are travelling to the Island.**

Item 4 (i):

It was noted at the meeting that Council had passed a notice of motion requesting that the Audit Panel review the General Manager's credit card transactions

It was suggested that one of the audit panel review the transactions on a quarterly basis and respond back to the panel at to any issues identified. Diana Droog was happy to be the nominated person.

Recommendation:

Diana Droog and Sophie Pitchford to work together to formulate a procedure so that Diana can review the transactions and report back to the panel.

Item 4 (ii):

Discussions were held around why Council does not disclose senior manager's wages individually in the Annual Report as recommended by the Auditor General. There is a belief that it will eventually be legislated so that Local Government will need to fully disclose to be compliant.

Recommendation:

Council to list the senior manager's positions relevant to the bands in the Annual Report and any major variances documented.

Item 4 (iii):

Council will need to be compliant with Related Party Disclosures AASB 124 by 30 June 2017. Bill and Sophie are attending a workshop that is being held by the Tasmanian Audit Office which will assist Council in achieving compliance.

Council will report back to the panel as to how we achieve compliance.

Item 4(iv):

There were concerns addressed around the high FTE for Flinders Council in comparison to other Councils, in particular with King Island.

It is difficult to make comparative assessments due to the complexity and lack of relevant information.

Council are taking part in a resource sharing review in alliance with the Northern Councils and KPMG. Once Council has received the report identifying areas for improvement, deficiencies and relevant comparative information, it will be presented to the Audit Panel.

Recommendation:

Council to raise concerns with the Grants Commissioner regarding lack of comparative information in Local Government.

Item 5 (i):

Council has reviewed the Risk Register and identified the top 14 risks. Sophie to email the audit panel the updated version.

Item 5 (ii):

The question was raised as to why there was not an allowance for wage increases in the Long Term Financial Plan. At the time of updating the plan, the current General Manager wanted to put a freeze on wages and this was reflected in the plan.

The Long Term Financial Plan will be revised over the next quarter and the updated version will be sent out to the audit panel as will the Asset Management Plan.

Diana Droog suggested that Town Maintenance be split between Buildings and Parks and Reserves. Whilst this can be achieved in the Asset Management Plan, it may be more difficult to implement across the other systems.

Item 5 (iii)

Explanations were provided for a number of variances highlighted in the quarterly financials. These variances will be reviewed at the Budget review.

It was agreed that the quarterly financials be sent to the audit panel in a timely manner.

Diana Droog distributed a spreadsheet to streamline the work plan and put checks and balances in place to ensure that all actions identified are addressed and completed.

Item 5(iv)

A request for the business case for the Economic Stimulus Package was addressed and the link to the case was emailed to the Chairperson for distribution to the audit panel.

Item 6:

It was agreed that the audit panel identify the policies that they wish to review and then report back to the meeting.

The policies identified to be reviewed are: Corporate Credit Card Policy; Travel & Accommodation Policy; and the Information Management Policy.

Item 7:

Deferred to Item 8

Item 8:

Bill provided an overview of an improved way forward with the audit panel to achieve better outcomes. It was explained as to why the panel would be better served without Elected Members on the panel, mainly to improve the perception of bias and conflict of interest within the community.

It was also highlighted as to the benefits of having an independent Chairperson who has the level of expertise in Local Government and how Council can learn from this knowledge and insight. It will also allow for more quality advice to ensure the protection of the organisation.

Council are looking at ways to resource share with the Northern Councils and this may assist with this process.

Recommendation:

The Audit Panel membership to be altered so that it is made up of an independent chairperson off Island and the two current independent members. It has also been recommended that the Mayor or another Councillor have a standing invite to attend the meetings as an observer.

Item 9:

This item was deferred until a new Chairperson has been appointed.

Item 10:

Two letters were received by the Chairperson from the Mayor. The chair has responded to the correspondence and addressed the issues raised.

Item 11:

No other business arising.

Meeting closed: 12.20