

CONFIRMATION OF PREVIOUS MINUTES

The Audit Panel confirmed that the minutes from the meeting held on the 9 April 2018 are a true record.

CARRIED

CORRESPONDENCE IN:

2018.04.09 Lyndal Kimpton – Flinders Council 2018 Audit Strategy
 2018.05.01 Mark Scanlon – Approval of Flinders Council 2018 Audit Strategy
 2018.05.01 John Dick – Concerns re Flinders Council 2018 Audit Strategy
 2018.05.03 Dianna Droog – Points to consider re Flinders Council 2018 Audit Strategy

CORRESPONDENCE OUT:

2018.04.30 Committee Members - Approval of Flinders Council 2018 Audit Strategy
 2018.04.11 Cr Gerald Willis – Response re conflict of interest/pecuniary interest

BUSINESS ARISING**1 Auditor's Work Plan**

The Flinders Council 2018 Audit Strategy was received from the Auditor and reviewed by panel members out of session. Two members proposed points for consideration which the Chair subsequently forwarded to the Auditor for consideration. A response has yet to be received.

Vicki to follow up with Lyndall on a response.

2 Investment Review

The Audit Panel reviewed the information provided by BT Investments and although the funds are being managed in accordance with the policy, the Panel has the following concerns:

- No rationale as to why specific stocks are bought and sold;
- Lack of balance in sectors – e.g. high concentration of bank equities as percentage of overall portfolio and using S&P 200 which is limited;
- Value for money for the service is questionable; and
- Lack of technical expertise on council to evaluate the management of the investment.

The Audit Panel considered the Investment Policy however without a comprehensive understanding of Council's appetite for risk, it is unable to determine if the policy is suitable at this stage.

In light of the above, the Audit Panel recommends that Council obtain independent assistance to review these matters.

3 Audit Panel Work Plan

The Panel is happy with the format of the draft work plan developed by Bill. Mark will provide Bill with the latest version of the Local Government Audit Panel Guidelines and together they will populate the content of the workplan.

AGENDA ITEMS

4 Audit Trail of Budget Movements

At the 19 April 2018 Council Meeting, Council resolved the following motion:

“That the Audit Panel be requested to recommend a process to Council along the lines outlined by Mark Scanlon in the Audit Panel minutes dated 9 April 2018, in connection with the audit trail relating to adjustments to a project-based budget.”

Bill Boehm presented a draft audit trail process for tracking reallocation of funds internally within the budget. The process involves the Council signing off on capital changes and internal reallocation of funds will be brought to the Audit Panel for noting. Variances will be identified in the budget appendices format and the reasons why the money has moved will be included in a comment column.

The Audit Panel is comfortable with the progress that has been made in establishing a process for tracking changes within the budget.

5 Policy Review

The following draft policies were considered by the Audit Panel:

- Asset Management Policy
- Employee Recruitment Policy
- Workplace Behaviour Policy
- Work Health and Safety Policy
- Fitness for Work Policy
- Drug and Alcohol Policy
- Fraud Prevention Policy

The Audit Panel noted the existence of the policies and is happy with the review process. The Panel also noted that generally the policies contain a lot of superfluous information and internal procedural information that can be removed. The Panel recommends that Council engages an independent person to review all the policies in their entirety.

6 Meeting Dates for 2018/19 year

The Local Government Audit Panel Guidelines recommends a minimum of four meetings annually and the Panel agreed to schedule meetings to correspond with the quarterly financial reports for 2018/19. The following dates have been set for the next two meetings:

- 3 July 2018 (Diana to phone in)
- 25 September 2018

The remaining two meetings for the financial year will be set at a later date.

7 General Manager's Update

The General Manager provided an update on the preparation of the 2018/19 budget and progress on the Flinders Business Economic Social and Structural Review currently being undertaken.

The Panel noted the update.

OTHER BUSINESS

Quarterly Credit Card

Diana reported that she has not yet done the quarterly credit card check but that it will be completed soon.

Long-term Asset Management Plan

John queried the status of the Long-term Asset Management Plan as it should be reviewed as part of the budget process. Bill reported that an Asset Manager position has been created as part of the new staff structure.

NEXT MEETING

3 July 2018 at 10am

MEETING CLOSE 12.15pm

ACTION LIST

DATE	ITEM	ACTION TAKEN
2018.06.04	Vicki to follow up with the Auditor on a response re the Auditor's Work Plan.	Email sent 4 June, awaiting reply.
2018.06.04	Mark to provide Bill with the latest version of the Local Government Audit Panel Guidelines. Mark and Bill to complete and populate the Audit Panel workplan.	
2018.06.04	Diana to complete the quarterly Credit Card Check.	