

CITY OF WEST TORRENS



**MINUTES**

**of the**

**AUDIT AND RISK PRESCRIBED COMMITTEE**

Members: Councillor S Rypp (Presiding Member),  
Councillor G Vlahos  
Independent Members: R Haslam, E Moran, S Spadavecchia

**of the**

**CITY OF WEST TORRENS**

held in the Mayor's Reception Room, Civic Centre  
165 Sir Donald Bradman Drive, Hilton

on

**TUESDAY, 9 OCTOBER 2018**  
**at 6.00pm**

**Terry Buss PSM**  
**Chief Executive Officer**

**City of West Torrens Disclaimer**

Please note that the contents of this Committee Minutes have yet to be considered by Council and Committee recommendations may be altered or changed by the Council in the process of making the formal Council decision.

**This meeting, the reports considered and the Minutes arising, are subject to the provisions of Section 91A of the *Local Government (Elections) Act 1999* and Council's Election Period Caretaker Policy. The Act prohibits councils making designated decisions during the caretaker period. The caretaker period commenced on 18 September 2018 and continues to the conclusion of the election.**

**Index**

<b>1</b>	<b>Meeting Opened</b> .....	<b>1</b>
	1.1 Evacuation Procedure	
<b>2</b>	<b>Present</b> .....	<b>1</b>
<b>3</b>	<b>Apologies</b> .....	<b>1</b>
<b>4</b>	<b>Disclosure Statements</b> .....	<b>1</b>
<b>5</b>	<b>Confirmation of Minutes</b> .....	<b>1</b>
<b>6</b>	<b>Communication by the Chairperson</b> .....	<b>2</b>
<b>7</b>	<b>Presentations</b> .....	<b>2</b>
	Nil	
<b>8</b>	<b>Outstanding Reports/Actions</b> .....	<b>2</b>
	8.1 Open Actions Update .....	2
<b>9</b>	<b>Reports of the Chief Executive Officer</b> .....	<b>2</b>
	<b>9.1 Financial Reporting and Sustainability</b> .....	<b>2</b>
	9.1.1 Financial Reporting .....	2
	<b>9.2 Internal Controls and Risk Management Systems</b> .....	<b>3</b>
	9.2.1 Annual Strategic Risk Review .....	3
	<b>9.3 Internal Audit</b> .....	<b>3</b>
	9.3.1 Service Centre Procedures and Systems Audit Report .....	3
	9.3.2 2017-2018 Internal Audit Program Update .....	3
	9.3.3 2018-2022 Internal Audit Plan.....	4
	<b>9.4 External Audit</b> .....	<b>4</b>
	9.4.1 BDO Audit Completion Report .....	4
	9.4.2 Annual Financial Statements - Year Ending 30 June 2018.....	5
	<b>9.5 Committee Performance and Reporting</b> .....	<b>6</b>
	Nil	
	<b>9.6 New and Emerging Risks</b> .....	<b>6</b>
	Nil	
<b>10</b>	<b>Other Business</b> .....	<b>6</b>
<b>11</b>	<b>Confidential</b> .....	<b>6</b>
	Nil	
<b>12</b>	<b>Next Meeting</b> .....	<b>6</b>
<b>13</b>	<b>Meeting Close</b> .....	<b>6</b>

## **1 MEETING OPENED**

The Presiding Member declared the meeting open at 6.03pm.

### **1.1 Evacuation Procedure**

The evacuation procedures were read out to the gallery by the General Manager Corporate and Regulatory.

## **2 PRESENT**

### **Committee Members:**

Cr S Rypp (Presiding Member)

Councillor: G Vlahos

Independent Members: R Haslam, E Moran, S Spadavecchia

### **Officers:**

Ms P Koritsa (General Manager Business and Community Services)

Mr B Ross (General Manager Corporate and Regulatory)

Mrs L Johnson (Program Leader Audit & Risk)

Ms L Gilmartin (Finance Coordinator)

### **In Attendance:**

Mr Tim Mulhausler (Galpins)

Ms Janna Burnham (Galpins)

Ms Linh Dao (BDO)

Mr Andrew Tickle (BDO)

## **3 APOLOGIES**

### **Officers:**

Mr T Buss (Chief Executive Officer)

## **4 DISCLOSURE STATEMENTS**

Nil

## **5 CONFIRMATION OF MINUTES**

### **RECOMMENDATION**

That the Minutes of the meeting of the Audit and Risk Committee held on 14 August 2018 be confirmed as a true and correct record.

**COMMITTEE RESOLUTION**

Moved: Cr George Vlahos  
Seconded: Mr Sam Spadavecchia

That the recommendation be adopted.

**CARRIED**

**6 COMMUNICATION BY THE CHAIRPERSON**

The Chairperson expressed his thanks to the Committee for their involvement and support and stated that he was honoured to have served as a Presiding Member over the past two years.

**7 PRESENTATIONS**

Nil

**8 OUTSTANDING REPORTS/ACTIONS****8.1 Open Actions Update**

This report presented an update on the current status of open actions from previous meetings of the Audit and Risk Prescribed General Committee.

**RECOMMENDATION**

It is recommended to the Audit and Risk Committee that it notes the completion of the two actions that arose from the Committee's August 2018 meeting and therefore there are no current open actions.

**COMMITTEE RESOLUTION**

Moved: Mr Ross Haslam  
Seconded: Mr Sam Spadavecchia

That the recommendation be adopted.

**CARRIED**

**9 REPORTS OF THE CHIEF EXECUTIVE OFFICER****9.1 Financial Reporting and Sustainability****9.1.1 Financial Reporting**

This report listed those finance related reports which were considered by Council between 8 August 2018 and 2 October 2018.

**RECOMMENDATION**

It is recommended to the Audit and Risk Committee that the Financial Reporting report be received.

**COMMITTEE RESOLUTION**

Moved: Ms Elizabeth Moran

Seconded: Mr Ross Haslam

That the recommendation be adopted.

**CARRIED**

**9.2 Internal Controls and Risk Management Systems****9.2.1 Annual Strategic Risk Review**

This report presented the results of the 2018-2019 Annual Strategic Risk Review.

**RECOMMENDATION**

It is recommended to the Committee that the 2018-2019 Annual Strategic Risk Review be received.

**COMMITTEE RESOLUTION**

Moved: Ms Elizabeth Moran

Seconded: Mr Ross Haslam

That the recommendation be adopted.

**CARRIED**

**9.3 Internal Audit****9.3.1 Service Centre Procedures and Systems Audit Report**

This report presented the results of the Service Centre Procedures and Systems Internal Audit.

**RECOMMENDATION**

It is recommended to the Committee that this report be received.

**COMMITTEE RESOLUTION**

Moved: Ms Elizabeth Moran

Seconded: Mr Ross Haslam

That the recommendation be adopted.

**CARRIED**

**9.3.2 2017-2018 Internal Audit Program Update**

This report presented the 2017-2018 Internal Audit Program Update.

**RECOMMENDATION**

It is recommended to the Audit and Risk Committee that the 2017-2018 Internal Audit Program update report be received.

**COMMITTEE RESOLUTION**

Moved: Mr Sam Spadavecchia

Seconded: Ms Elizabeth Moran

That the recommendation be adopted.

**CARRIED**

**9.3.3 2018-2022 Internal Audit Plan**

This report presented the 2018 - 2022 Internal Audit Plan.

**RECOMMENDATION**

It is recommended to the Committee that the 2018 - 2022 Internal Audit Plan be noted and endorsed.

**COMMITTEE RESOLUTION**

Moved: Mr Ross Haslam

Seconded: Mr Sam Spadavecchia

That the recommendation be adopted.

**CARRIED**

Agreed Action

The General Manager Business and Community agreed to include a procurement transaction audit in the 2019/20 Internal Audit Plan.

**9.4 External Audit****9.4.1 BDO Audit Completion Report**

This report presented the *Audit Completion Report* from Council's external auditors for the financial year ending 30 June 2018.

**RECOMMENDATION**

It is recommended to the Audit and Risk Committee that this report be received.

**COMMITTEE RESOLUTION**

Moved: Ms Elizabeth Moran

Seconded: Mr Ross Haslam

That the recommendation be adopted.

**CARRIED**

### 9.4.2 Annual Financial Statements - Year Ending 30 June 2018

This report proposed that the Audit and Risk Committee review the annual financial statements of the Council for the year ended 30 June 2018 to ensure that they present fairly the state of affairs of the Council.

#### RECOMMENDATION(S)

It is recommended to Audit and Risk Committee that:

1. In accordance with Regulation 22(5) of the *Local Government (Financial Management) Regulations 2011*, it be noted that a draft unsigned statement has been received from Andrew Tickle, Partner of BDO, certifying his independence.
2. In accordance with Section 126(4)(a) of the Local Government Act 1999, the annual financial statements as contained in Attachment 1 of the agenda report be reviewed, and on being satisfied that they present fairly the state of affairs of the Council, they be referred to BDO for finalisation and the provision of an independent audit opinion.
3. In accordance with Regulation 22(3) of the *Local Government (Financial Management) Regulations 2011*, the Chief Executive Officer and Presiding Member of the Audit and Risk Committee sign the statement contained in Attachment 1 of the agenda report certifying that the Council has not engaged BDO to provide any services outside of the scope of their function as external auditor.
4. It be recommended to Council that the Chief Executive Officer and Principal Member be authorised to certify the annual financial statements in their final form pursuant to the requirements of Regulation 14(g) of the *Local Government (Financial Management) Regulations 2011*.

#### COMMITTEE RESOLUTION

Moved: Ms Elizabeth Moran  
Seconded: Mr Ross Haslam

That the recommendation be adopted.

**CARRIED**

#### MOTION

Moved: Ms Elizabeth Moran  
Seconded: Mr Ross Haslam

That the Audit Committee commends the staff for the preparation and calibre of the 2017/18 financial statements.

**CARRIED**

**9.5 Committee Performance and Reporting**

Nil

**9.6 New and Emerging Risks**

Nil

**10 OTHER BUSINESS**

Nil

**11 CONFIDENTIAL**

Nil

**12 NEXT MEETING**

To be determined by the new Council, following the November 2018 Local Government Elections.

**13 MEETING CLOSE**

The Presiding Member declared the meeting closed at 7.10pm.