

Minutes

Of the Audit Advisory Committee Meeting

Location: Ovens Room, Municipal Offices
62-68 Ovens Street, Wangaratta

Date: Tuesday 17 September 2019

Time: 4.00pm

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1. **ACKNOWLEDGEMENT OF TRADITIONAL OWNERS**

2. **PRESENT/ABSENT/APOLOGIES**

Committee Members Present:

Ms Gayle Lee - Chair, Mr Peter McNeill, Ms Rowan O'Hagan,
Cr Ken Clarke OAM, Cr Mark Currie

Auditors Present:

Stephen Clark - Johnsons MME/External Auditor

Officers Present:

Jaime Chubb - Acting Chief Executive Officer, Sarah Brindley - Director
Corporate Services, Anthony Smith - Manager Finance, Glenda Beecher -
Manager People & Governance, Janelle Stein - Governance & Reporting Advisor

Guest Officers:

Alan Clark - Director Infrastructure Services (entered meeting at 4.28pm)

3. **CONFLICT OF INTEREST DISCLOSURE**

In accordance with sections 77A, 77B, 78 and 79 of the Local Government Act 1989 Audit Advisory Committee members are required to disclose a '*conflict of interest*' in a decision if they would receive, or could reasonably be perceived as receiving, a direct or indirect financial or non-financial benefit or detriment (other than as a voter, resident or ratepayer) from the decision.

Disclosure must occur immediately before the matter is considered or discussed.

For the report that was prepared for the 17 September 2019 Audit Advisory Committee meeting, no Council officers or contractors who provided advice in relation to those reports declared a conflict of interest regarding the matters under consideration.

4. REPORTS

4.1 ANNUAL REPORT 2018/19

Executive Summary

This report is presented to Audit Advisory Committee for the Committee to recommend to Council its approval of the Draft Financial Statements 2018/19, Performance Statement 2018/19 and the Governance and Management Checklist for Council to give their 'in principal' approval at a Special Council meeting to be held Monday, 23 September 2019.

RECOMMENDATION:

The Audit Advisory Committee recommends Council approve 'in principle' agreement to sign the 2018/19 Draft Financial Statements, Performance Statement and Governance and Management Checklist at its Special Council Meeting to be held Monday, 23 September 2019.

MOTION:

That the recommendation be adopted.

(Moved: Independent Member Rowan O'Hagan / Independent Member Peter McNeill)

Carried

Discussion: Reports - Item 4.1

On reviewing the 2018/19 Financial Statements, the Audit Advisory Committee requested clarification regarding the timing of works undertaken at Cruse Street. This was because a member of the Committee felt the majority of contractor work for the Cruse Street project had been undertaken beyond the financial year end.

The Director Infrastructure Services was asked to step into the meeting, and on the basis of the knowledge he had available at the time advised that:

- This was not the case, with the most expensive elements of the work, including the bridge, drainage, and gross pollutant trap being completed pre 30 June 2019;
- Some of the more visible work undertaken post 30 June 2019 was the North East Water mains work and the removal of surplus material; and
- That he would further investigate the timeline of works, completion rates and invoice payments.

The Committee noted the advice provided by the Director Infrastructure Services but requested further investigation into the matter occur and then a summary of the outcomes of the investigation be provided to the Committee out of session.

Actions: Reports - Item 4.1**1. Cruse Street**

Director Infrastructure Services to investigate Cruse Street Invoice Payments and provide the outcomes of the investigation to the Audit Advisory Committee out of session.

2. CoStore Carpark

Update on the progress of exploring options in relation to CoStore Carpark to be provided to the Audit Advisory Committee at the next committee meeting.

3. Aged Debtors Report compared to Annual Report - Financial Statements

The amount included for Bad and Doubtful Debts in the Annual Report 2018-2019 had additional categories and therefore did not collate with the Aged Debtors report provided independently to the Audit Advisory Committee. Moving forward that the Aged Debtors report to include/reflect the same categories of Bad and Doubtful Debts as included in the Annual Report.

4. Cash Flow

Notes provided under the Cash Flow in the Annual Report 2018-2019 are unclear. The notes need to be revised to provide clearer explanation.

5. Certification of the Consolidated Financial Statements

Mayor Dean Rees has 'OAM' incorrectly listed after his title. OAM needs to be removed from Mayor Dean Rees title.

6. Annual Report

Alan Clark was incorrectly spelt as Alan Clarke. Name needs to be revised to reflect correct spelling.

7. Annual Report - Financial Statements WLE Employee Costs

It was noted that the Employee Costs for the Wangaratta Livestock Exchange were not listed independently. As the costs are included in the total/overall costs, note needs to be update to provide clear explanation.

8. Annual Report - Financial Statements Related Party Disclosure

Jazz Festival needs to be added under Related Party Disclosure.

9. Annual Report - Financial Statements

Typo in Business Wangaratta needs to be corrected.

10. Annual Report - Financial Statements Other Reserves

Requires a note/comment to be added under the table to provide clear explanation of figures.

11. Annual Report - Performance Statement Average Residential Rate

Figures to be reviewed and revised if required as figure provided for 2018 for the Revenue Level - Average residential rate per residential property assessment was substantially different to that provided for 2019.

5. **OTHER BUSINESS**

6. **NEXT MEETING**

Tuesday 3 December 2019, 3.00pm - 6.00pm.

7. **CLOSURE OF MEETING**

Meeting closed at 5.06pm.
