

SHIRE OF KOJONUP

Kojonup



**Audit & Risk Committee
Agenda**

7 August 2018

MINUTES

TERMS OF REFERENCE

AUDIT & RISK COMMITTEE

Function:

This Committee is responsible for assisting Council in recommending appropriate actions to Council with regards to audit, risk and governance management to ensure accountability to the community in its responsibilities.

Duties and Responsibilities:

- Receive and review the biannual reports from the Chief Executive Officer (CEO) regarding the appropriateness and effectiveness of the Shires risk management, internal controls and legislative compliance and make recommendations to Council;
- Recommend and review the Shires Risk Appetite Statement in order to set the Risk Tolerance of the Council;
- Monitor and receive reports concerning the development, implementation and on-going management of the Shires Risk Management Plan and the effectiveness of its Risk Management Framework;
- Provide advice and assistance to Council as to the carrying out of its functions in relation to audits and recommend;
 - a) a list of those matters to be audited; and
 - b) the scope of the audit to be undertaken;
- Meet with the auditor yearly and provide a report to Council on the matters discussed and the outcome of the discussions;
- Liaise with the (CEO) to ensure that the Shire does everything in its power to:
 - a) assist the auditor to conduct the audit and carry out his or her other duties under the *Local Government Act 1995*; and
 - b) ensure that audits are conducted successfully and expeditiously;
- Examine the reports of the auditor after receiving a report from the CEO on the matters and:
 - a) determine if any matters raised require action to be taken by the Shire; and
 - b) ensure that appropriate action is taken in respect of those matters;
 - c) Review the report prepared by the CEO in respect of any matters raised in the report of the auditor and present the report to Council for adoption prior to the end of the next financial year or six months after the last report prepared by the auditor is received, whichever is the latest;
- Review the scope of the Audit Plan and its effectiveness;
- Consider and recommend adoption of the Annual Financial Report to the Council;
- Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference;
- Seek information or obtain expert advice through the CEO on matters of concern within the scope of the Committee's terms of reference following authorisation from the Council; and
- Review the annual Statutory Compliance Return and make a recommendation on its adoption to Council.

Membership

Four (4) Councillors; and

Two (2) Community Members.

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING
HELD ON 7 AUGUST 2018

TABLE OF CONTENTS

1	DECLARATION OF OPENING AND ANNOUNCEMENT OF GUESTS	4
2	ATTENDANCE, APOLOGIES & LEAVE OF ABSENCE	4
3	PUBLIC QUESTION TIME	4
4	SUMMARY OF RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE	4
5	APPLICATIONS FOR LEAVE OF ABSENCE	4
6	CONFIRMATION OF MINUTES	4
7	DECLARATIONS OF INTEREST	5
8	AUDIT & RISK COMMITTEE TIMETABLE	5
9	REPORTS	6
9.1.1	COMMITTEE STATUS REPORT	6
9.1.2	RISK REGISTER	9
9.2	INSURANCE POLICIES – 2018/2019	11
9.3	INTERIM AUDIT RECOMMENDATION – SYNERGYSOFT AUTOMATION TOOLSET – EMAIL NOTIFICATIONS	14
9.4	CONTROLS OVER CORPORATE CREDIT CARDS – OFFICE OF THE AUDITOR GENERAL RECOMMENDATIONS	17
9.5	COST INVESTIGATION AND OPERATIONAL STRUCTURES OF SPORTING FACILITIES	20
9.6	FINANCIAL MANAGEMENT POLICIES	21
10	OTHER ITEMS FOR DISCUSSION OR FURTHER RESEARCH AS RAISED BY MEMBERS	21
11	NEXT MEETING	21
12	CLOSURE	21
13	ATTACHMENTS (SEPARATE)	22

AGENDA

1 **DECLARATION OF OPENING AND ANNOUNCEMENT OF GUESTS**

The Presiding Member, Cr J Mathwin, declared the meeting open at 9:02 am and alerted the meeting of the procedures for emergencies including evacuation, designated exits and muster points.

2 **ATTENDANCE, APOLOGIES & LEAVE OF ABSENCE**

MEMBERS

Cr Jill Mathwin	Presiding Member
Cr Graeme Hobbs	
Cr John Benn	
Cr Judith Warland	
Mr James Hope	

STAFF (OBSERVERS)

Mr Anthony Middleton	Manager of Corporate Services
Mrs Heather Marland	Senior Finance Officer

APOLOGIES

Mr Roger House

3 **PUBLIC QUESTION TIME**

Nil.

4 **SUMMARY OF RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE**

Nil.

5 **APPLICATIONS FOR LEAVE OF ABSENCE**

(The next ordinary meeting is scheduled for Tuesday, 6 November 2018 at 9:00am.)

Nil.

6 **CONFIRMATION OF MINUTES**

AUDIT COMMITTEE MEETING held 15 May 2018 ([Attachment 6.1.1](#))

OFFICER RECOMMENDATION/COMMITTEE DECISION

Moved Cr Judith Warland, seconded Mr James Hope that the minutes of the Audit Committee Meeting held on 15 May 2018 be confirmed as a true and accurate record.

CARRIED 5/0

7 **DECLARATIONS OF INTEREST**

Nil

8 **AUDIT & RISK COMMITTEE TIMETABLE**

As a guide and subject to availability, each Audit & Risk Committee agenda will contain the following (**list to be expanded at the suggestion of members**):

1st Quarter (January – March)

- Committee Status Report
- Compliance Audit Return
- Summary of Risk Management
- Volunteer Management
- Leave Provision Adequacy

2nd Quarter (April – June)

- Committee Status Report
- Summary of Risk Management
- Fees & Charges Review
- Business Continuity Plan Review
- Shire President's Vehicle Log Book

3rd Quarter (July – September)

- Committee Status Report
- Interim Audit Report
- Financial Management Review (each 4 years – 2014, 2018...)
- Summary of Risk Management
- Insurance Overview

4th Quarter (October – December)

- Committee Status Report
- Audit Report & Management Letter
- Annual Financial Report
- Annual Report
- Risk, Legal Compliance & Internal Controls review (each 2 years – 2014, 2016...)
- Summary of Risk Management

OFFICER COMMENT

The Draft interim audit has been received, the report will be tabled at the November meeting.

The above list will remain at the commencement of each Committee agenda to act as a timetable and enable members to add to the items to be considered.

9 REPORTS

9.1 STATUS REPORTS

9.1.1 COMMITTEE STATUS REPORT

Date	Item Number & Title	Issue	Response	Status
20 March 2018	8.2 Annual Financial Report 2016/2017	General Journal Entry Controls – The auditors recommend that a formal process of review by the Manager of Corporate Services is implemented. This would involve scrutiny of system generated journal reports, – sighting – necessary supporting documentation – and signing and retention as evidence.	The General Journal form has been adapted and there is now an area for an Authorising Officer signature. The General Journals will be presented to the MCS monthly for checking and sign off in conjunction with the Monthly reconciliation file.	Completed
20 March 2018	8.2 Annual Financial Report 2016/2017	Uncleared Municipal Bank Item – Audit procedure determined that a payment dated 3 March 2016 for \$1511.93 remained uncleared at audit date.	This cheque has been issued twice, as it is a refund on a partial sale of property. The cheque will be cancelled and a credit levied against the rates assessment.	Completed
20 March 2018	8.2 Annual Financial Report 2016/2017	Purchase Orders - During our review of purchases system we noted one instance where a Purchase order postdated the invoice. This related to Prandi Builders who are provided a works request list which is invoiced as completed.	The Council Policy in relation to Purchasing and Policy Orders is very clear and staff are communicated this policy. Further reminders will be provided at staff meetings in 2018. The CEO will activate a memo reinforcing the purchasing policy and the importance of adhering to our Policies and Procedures.	Ongoing

Date	Item Number & Title	Issue	Response	Status
20 March 2018	8.2 Annual Financial Report 2016/2017	Creditors and Bank Ledger - A creditor payment batch was initially incorrectly accounted for as June payments when they were actually made in July 2017. This resulted in the bank and creditors being equally understated by \$246,350. An adjustment was processed to correct this prior to audit finalisation.	Compliance with regard to payment batches being processed as of date of payment will be formally reiterated to team members in writing as should not occur regardless of new staff appointments as matter is standard accounting practice.	Ongoing
20 March 2018	8.2 Annual Financial Report 2016/2017	Depreciation Expense — Extensive audit testing disclosed that certain assets were not depreciated during the financial year. This resulted in \$310,543 additional depreciation and a revised reconciliation of the asset register post amendment.	Assets (Depreciation) has been added to the PD of the SFO to ensure this oversight is not repeated on the asset module.	Completed
20 March 2018	8.2 Annual Financial Report 2016/2017	Annual Leave Accruals — Testing of the accrual for annual leave entitlements revealed an incorrect leave taken balance had been entered into the worksheet for one employee, resulting in the accrual being understated by \$969.52 This was an isolated error and no adjustment was required to be made.	Clause 4.3 of the Employee Manual will be enforced by the CEO as follows: "LEAVE WITHOUT PAY" "Unpaid leave is only granted in special circumstances and can only be approved by the Chief Executive Officer. The request should be on the Leave Application Form with an accompanying letter giving the reasons for the request."	Completed

Date	Item Number & Title	Issue	Response	Status
15 May 2018	9.3 – Focus Audit - Timely Payment of Suppliers	OAG recommends that a written policy on processing payment of invoices is developed and placed on the Intranet for staff to access.	The Shire of Kojonup currently have in place Procedures that state when and how payments are made but they do not specifically define a goal of timeliness. The procedure will be updated. Action - Finance Officers (Brodie Potter and Mellissa Binning)	Ongoing
15 May 2018	9.3 – Focus Audit - Timely Payment of Suppliers	The Shire should pay all invoices within 30 days of the receipt of the invoice or receipt of the goods and services.	Training of all staff and authorising officers are to have signed invoices to creditors in a timely manner for payment. Action - Finance Officers (Brodie Potter/Melissa Binning)	Ongoing
15 May 2018	10 - Cost investigation and operational structures of sporting facilities.	It was resolved that the Manager of Corporate Services would do a report on this item.	Refer to agenda item for this meeting.	Completed (subject to Committee wanting further information)

9.1.2 RISK REGISTER

The following summaries are provided for the Committee’s information and consideration:



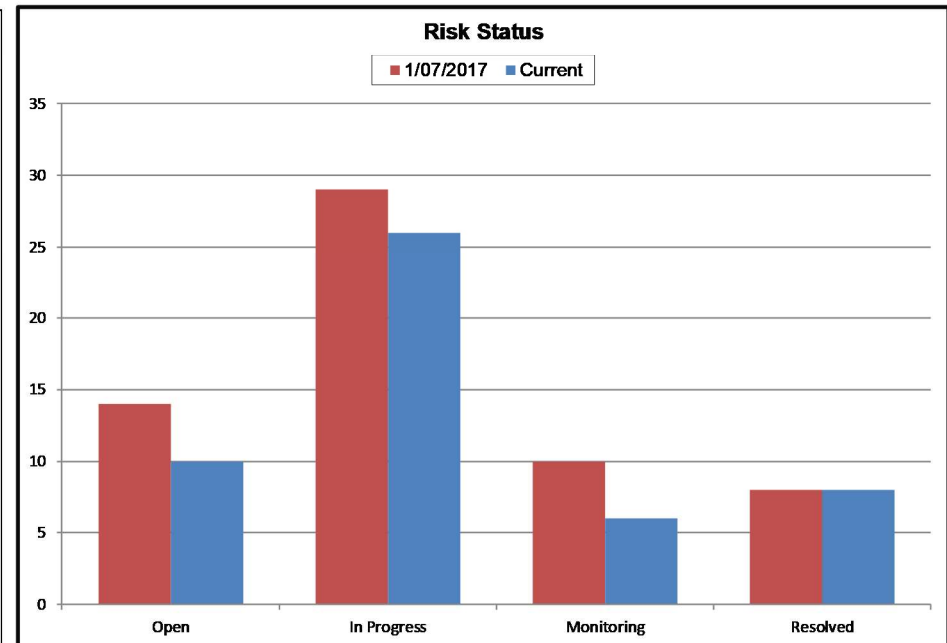
Risk Register - Management Dashboard Report

Risk Owner	
MRS	1
CEO	22
MCS	6
MCDT	16
MWS	3
MACS	2
Total	50

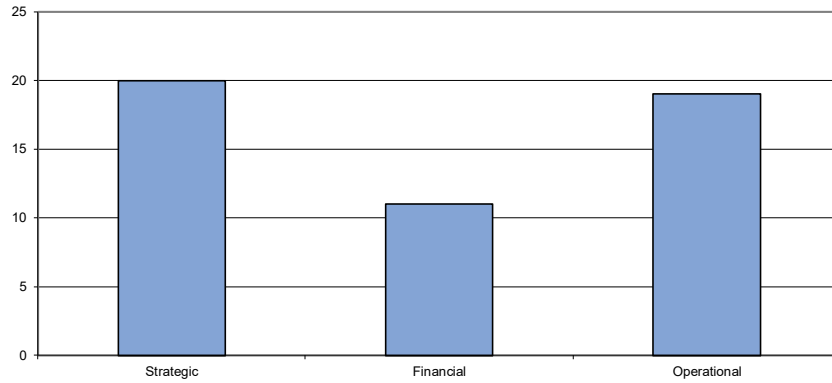
Risk Status Summary		Current	1/07/2017
Open		10	14
In Progress		26	29
Monitoring		6	10
Resolved		8	8

Risk Type Summary	
Strategic	20
Financial	11
Operational	19
Total	50

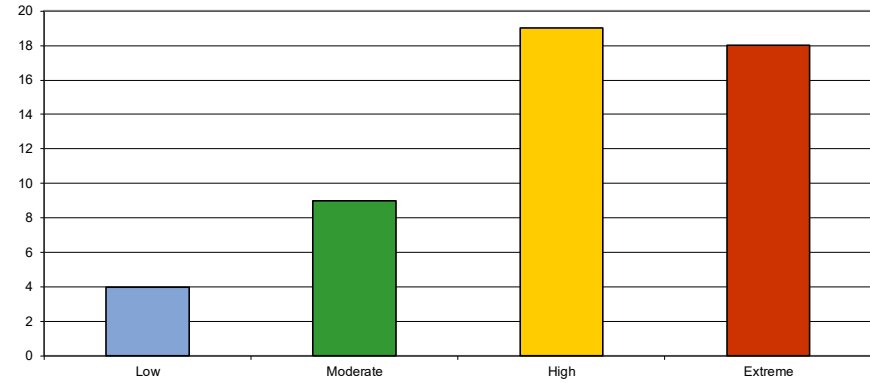
Risk Rating Summary	
Low	4
Moderate	9
High	19
Extreme	18
Total Risks	50



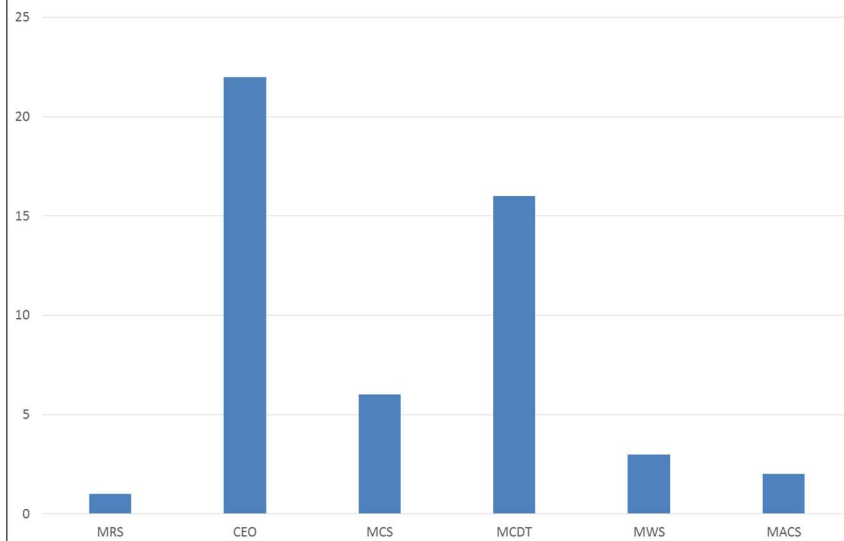
Risk Types



Total Risk Ratings



Risk Owner



9.2 INSURANCE POLICIES – 2018/2019

AUTHOR	Heather Marland SFO
DATE	Tuesday 17 th July, 2018
FILE NO	RM.REG.1
ATTACHMENT(S)	9.2.1 - Vehicle and Plant Register 9.2.2 - Property Register

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2018-2022”
Key Pillar	Community Outcomes	Corporate Actions
3.4.2	Be organised and transparent with our financial management	Act with sound long-term and transparent financial management and deliver residents considered value for money.

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to inform the Committee of the insurance levels and associated costs held by the shire for the 2018/2019 financial year.

BACKGROUND

Insurance is one of the Shire’s largest annual expenses and most important risk management tasks and therefore it is appropriate that the Committee and Council, in addition to staff, be comfortable with the levels of insurance taken out.

COMMENT

The Shire of Kojonup obtain insurance cover through LGIS (Local Government Insurance Services). LGIS is partly owned by WALGA and offer insurance through their Scheme Membership and also through policies taken out with insurers. They are able to obtain policies from main stream insurance at a reduced rate as they broker on behalf of all its scheme members.

Below is a list of insurance held by the Shire for the 2018/2019 financial year including the insurance provider, limit of liability and the cost of premium.

Policy	2018/19 Contribution	Insurer	Liability	Interest Protected
LGIS Bushfire	\$22,646	Scheme	\$500k	Volunteer Bushfire members, medical expenses, loss of salary/wages and death benefits
LGIS Liability	\$33,152	Scheme	\$500m	Public liability - Death or Personal Injury, Loss or Damage to Property
Casual Hirers Liability	\$0	Covered by Scheme	\$10m	Legal liability to thirds parties for death, illness or personal injury and loss of damage to property at hired facility
Crime	\$868	Scheme	\$400k	Direct financial loss sustained by member.
LGIS Property	\$99,995	Scheme	\$600m	Physical loss, destruction or damage to property including Machinery breakdown and electronic equipment
LGIS Workcare	\$102,775	Scheme	\$500k	Workers Compensation and Injury Management including Journey Accident Cover
Corporate Travel	\$825	Chubb Insurance	\$10m	External Journey beyond 50km
Cyber Liability	\$1,650	Chubb Insurance	\$1m	Data stolen/accessed/altered
Management Liability	\$29,994		\$4.25m	Councillors and Officers Liability and Employment practices Liability
Marine Cargo	\$660	QBE	\$400k	All goods &/or interests belonging &/or appertaining whilst in transit by land, air, water and parcel post.
Motor Vehicle	\$56,126	Zurich Australia	\$3.2m	All motor vehicles and trailers owned leased or mortgaged under hire purchase or hired in or let out. Includes volunteer bushfire brigade member's vehicles.
Personal Accident - Volunteers , Councillors	\$467	Chubb Insurance	\$300k	Elected members and volunteers if injured or death whilst engaged in work for the Shire if said work is authorised by the Shire.
Medical Malpractice Liability	\$5,775	Vero Insurance	\$20m	Cover of Medical Practice lawsuits for Springhaven
	\$354,934			

CONSULTATION

David Woods – Account Manager LGIS

Anthony Middleton – Corporate Services Manager

STATUTORY REQUIREMENTS

- *Local Government Act 1995* Section 5.42(1)
- Delegation Register – Admin 007 – Entering into Contracts of Insurance
The Chief Executive Officer is Delegated Authority to enter into appropriate contracts of insurance. In exercising the delegation the CEO is to have regard to the provisions of the Annual Budget.

POLICY IMPLICATIONS

2.1.8 – Financial Governance – Management of financial risk prudently, having regard to economic circumstances.

FINANCIAL IMPLICATIONS

Insurance is an annual expenses which is included in the budget each year. The figure shown above of \$354,933.92 for 2018/2019 shows an approx. 10% increase on the previous year.

RISK MANAGEMENT IMPLICATIONS

Insurance is the most important risk management tasks undertaken each year. Insurance is our single largest ongoing external cost, and without adequate cover the Shire is extremely exposed to financial and property loss and open to liability

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications for this report

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority.

OFFICER RECOMMENDATION/COMMITTEE DECISION

Moved Cr Judith Warland, seconded Cr John Benn that the information regarding the levels of the Shire’s Insurance for the 2018/2019 financial year be noted.

CARRIED 5/0

9.3 INTERIM AUDIT RECOMMENDATION – SYNERGYSOFT AUTOMATION TOOLSET – EMAIL NOTIFICATIONS

AUTHOR	Heather Marland SFO
DATE	Tuesday 24 th July, 2018
FILE NO	FM.AUD.2
ATTACHMENT(S)	9.3.1 - Interim Audit Observations and Comments 9.3.2 – Quotation – IT Vision

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2018-2022”
Key Pillar	Community Outcomes	Corporate Actions
3.4.2	Be organised and transparent with our financial management	Act with sound long-term and transparent financial management and deliver residents considered value for money.

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to inform the Committee of the steps taken to address the matter ‘*Creditors and Payroll Master File Control Enhancement*’ as raised in the Interim Audit and costs involved in its implementation and annual ongoing costs.

BACKGROUND

The Shire’s auditor Lincolns Accountants raised in its 2017/2018 Interim Audit 6 Audit Observations. The one that this report pertains to is:

Matter	Present Procedure	Recommendation
Creditors and Payroll Master File Control Enhancement.	Creditor/employee changes are authorised by the Manager of Finance to processing by Finance Officer. Risk exists that unauthorised changes may be made resulting in funds being incorrectly transferred to fraudulent recipients.	All pay runs and creditor batches are accompanied by a system generated audit report detailing all changes since the previous report was run. This is reviewed along with all other supporting documentation and signed off by the Manager of Finance. We are also aware that IT Vision have developed a report that will system generate an email to the nominated authoriser. The email will be generated any time bank account details of employees or creditors are changed, added or deleted. We recommend that you investigate this further.

COMMENT

The Accounts Payable officer has in the past included an audit report highlighting any changes made to the creditor master files since the report was last run. As a cross reference any documentation that initiated the change is attached to the report. The audit report and supporting documents are verified and signed by the SFO prior to authorising/signing Cheques or EFT runs. This process has been reinitiated.

Payroll also have the ability to run an audit report highlighting any changes to employee details. This report captures any changes made to the employee records including but not limited to bank details, Superannuation changes, next of kin and work classification. It is suggested that this report is included in the fortnightly payroll reports to be verified and signed by the Manager of Corporate and Community Services and filed with each fortnightly payroll reports.

It is envisioned that instilling these practices into our procedures will mitigate any risk of fraudulent behaviour without additional cost to council.

CONSULTATION

Russel Harrison – Principal Lincolns Accountants

Anthony Middleton – Manager of Corporate and Community Services

Angelo Nardi – Sales – IT Vision

STATUTORY REQUIREMENTS

Nil

POLICY IMPLICATIONS

2.1.8 – Financial Governance – Management of financial risk prudently, having regard to economic circumstances.

FINANCIAL IMPLICATIONS

IT Vision have provided a quote of \$1629.10 to implement the SynergySoft Automation Toolset- Email Notifications. There will be also be an ongoing Annual License fee of \$424.60

RISK MANAGEMENT IMPLICATIONS

This report is addressing a significant financial risk for the organisation. This risk can be minimized through close monitoring, open communication and documenting information.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications for this report

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority.

OFFICER RECOMMENDATION/ COMMITTEE DECISION

Moved Cr Graeme Hobbs, seconded Cr Judith Warland that it be recommended to the Council that the recommendation from Council's auditors Lincolns Accountants be noted but that Email Notification function through IT Vision is not initiated.

CARRIED 5/0

9.4 CONTROLS OVER CORPORATE CREDIT CARDS – OFFICE OF THE AUDITOR GENERAL RECOMMENDATIONS

AUTHOR	Heather Marland SFO
DATE	Wednesday 01 August 1, 2018 2018
FILE NO	FM.BNK.2
ATTACHMENT(S)	9.4.1 – Auditor Generals Control over Corporate Credit Cards Report 9.4.2 – Shire of Kojonup Corporate Credit Cards Policy

STRATEGIC/CORPORATE IMPLICATIONS		
“Smart Possibilities – Kojonup 2027+”		“Smart Implementation – Kojonup 2018-2022”
Key Pillar	Community Outcomes	Corporate Actions
3.4.2	Be organised and transparent with our financial management	Act with sound long-term and transparent financial management and deliver residents considered value for money.

DECLARATION OF INTEREST

Nil

SUMMARY

The purpose of this report is to inform the Committee of the recommendations contained in the Western Australian Auditor General’s Report 7 – Controls over Corporate Credit Cards released in May 18 and how our Council Policy 2.1.10 *Corporate Credit Cards* compares to the recommendations contained in the report.

BACKGROUND

The Western Australian Auditor General is now the principal auditor for all local governments in Western Australia. As part of its new role the OAG (Office of Auditor General) has undertaken a variety of different focus audits throughout the sector. While the Shire of Kojonup was included in the *Timely Payment of Creditors* focus audit, eight (8) other local governments were requested to participate in a focus audit on Corporate Credit Card.

These focus audits are a tool for local governments to assess their performance against the OAG findings and best practice and to make changes where required.

COMMENT

There were five (5) recommendations made by the OAG as listed below, along with a commentary of the Shire of Kojonup’s assessment against these recommendations:

1. *Ensure policies specify requirements for all key credit card processes*
The Council has a very comprehensive policy 2.1.10 *Corporate Credit Cards* adopted in November 2015. The policy clearly sets out when the credit card maybe used and by who.
2. *Keep adequate records of all card transactions, including information that describes the nature/purpose of the expenditure and evidence of review and approval.*
Managers complete a Credit Card Transaction Form detailing item/s purchased reason for using card and allocation code.

3. *Cancel redundant cards in a timely manner to avoid loss and/or misuse of cards.*

Kojonup has not had to cancel a credit card in five (5) years. There is a form for the destruction of a credit card that is signed by 3 staff members confirming the destruction of any returned/cancelled credit cards.

4. *Regularly monitor outstanding transactions to identify and follow up on long outstanding un-acquitted transactions.*

A spreadsheet of each managers and CEO's credit card usage is compiled monthly. This ensures all transactions on the bank statement are reconciled and corresponding receipts and completed forms have been presented. The information taken from the Credit Card Request form is entered onto the spreadsheet and this is used to upload to SynergySoft. The expenditures are included in the *Creditors Payment List* report to council every month.

5. *Ensure Senior Management periodically reviews credit card use, to confirm compliance with policies and to identify any abnormal trends. The results of these reviews should be documented and retained.*

Reviews are currently not being done by the Senior Management Team. It is proposed that the Senior Finance Officer attend SMT (Senior Management Team meeting) annually to review the credit card usage with managers.

CONSULTATION

Nil

STATUTORY REQUIREMENTS

Local Government Act 1995 Section 2.72(2) (a) and (b) requires the Council to oversee the allocation of the local government's finances and resources and to determine the policies of the local government.

Section 6.5(a) requires the CEO to ensure proper accounts and records of the transactions and affairs of the local government are kept in accordance with the regulations.

Local Government (Financial Management) Regulation 11(1) (a) requires local governments to develop procedures for the authorisation of, and the payment of, accounts to ensure that there is effective security for, and properly authorised use of cheques, credit cards, computer encryption devices and passwords, purchasing cards and any other devices or methods by which goods, services, money or other benefits may be obtained.

POLICY IMPLICATIONS

2.1.8 – Financial Governance – Management of financial risk prudently, having regard to economic circumstances.

2.1.10 - Corporate Credit Cards

FINANCIAL IMPLICATIONS

There are no financial implications.

RISK MANAGEMENT IMPLICATIONS

This report is addressing a financial risk for the organisation. This risk can be minimized through close monitoring, open communication and documenting information.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications for this report

SOUTHERN LINK VROC (VOLUNTARY REGIONAL ORGANISATION OF COUNCILS) IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority.

OFFICER RECOMMENDATION/COMMITTEE DECISION

Moved Cr John Benn, seconded Cr Judith Warland that the Auditor General's Report on Controls over Corporate Credit Cards be received with no further action required.

CARRIED 5/0

9.5 COST INVESTIGATION AND OPERATIONAL STRUCTURES OF SPORTING FACILITIES

As requested at the last Committee meeting, the costs as shown in the “Other Recreation & Sport” sub-program as at 29 July 2018 are as follows:

A/c	Description	Type	Resp. Manager	Resp. Officer	18/19 Total Budget	18/19 YTD Budget	18/19 YTD Actuals	% of Annual Budget
Other Recreation And Sport								
017D	Depreciation (Sch 11)	Exp.	MCS	MCS	\$268,000	\$22,333	\$0	0%
033P	Loss on Sale of Assets - Other Rec	Exp.	MCS	MCS	\$0	\$0	\$0	
6362	Kojonup Springs - Conveniences	Exp.	MCS	MWS	\$13,000	\$1,082	\$1,206	9%
6364	Kojonup Springs - Ground Maint	Exp.	MCS	MWS	\$16,000	\$1,333	\$1,643	10%
6372	Apex Park Conveniences - Operating	Exp.	MCS	MWS	\$32,500	\$2,705	\$2,338	7%
6373	Apex Park Conveniences - Building Maint	Exp.	MCS	R/BMC	\$2,000	\$166	\$0	0%
6374	Apex Park - Grounds Maint	Exp.	MCS	MWS	\$45,000	\$3,747	\$1,472	3%
6382	Railway Reserve - Conveniences	Exp.	MCS	MWS	\$2,300	\$191	\$126	5%
6394	Railway Reserve - Grounds Maint	Exp.	MCS	MWS	\$13,500	\$1,123	\$965	7%
6502	CSRFF - Shire 1/3 Contribution	Exp.	MCS	MWS	\$9,500	\$791	\$0	0%
6401	Trails Master Planning	Exp.	MCS	MWS	\$3,000	\$250	\$0	0%
6402	Sports Complex - Netball Conveniences	Exp.	MCS	MWS	\$3,800	\$316	\$309	8%
6403	Sports Complex - Netball Area Maint.	Exp.	MCS	MWS	\$2,000	\$165	\$0	0%
6554	Sports Complex - Building Maint	Exp.	MCS	MRS	\$10,000	\$833	\$0	0%
6404	Sports Complex - Grounds Maint	Exp.	MCS	MWS	\$102,000	\$8,499	\$4,858	5%
6552	Sports Complex - Cleaning	Exp.	MCS	MWS	\$10,000	\$832	\$238	2%
6477	Sports Complex - Utilities	Exp.	MCS	MCD&T	\$22,080	\$1,839	\$950	4%
6408	Sports Complex - Conveniences	Exp.	MCS	MWS	\$5,000	\$415	\$298	6%
6414	Sports Complex - Reticulation	Exp.	MCS	MWS	\$1,000	\$83	\$0	0%
6434	Water - Turkey Nest Dam Maintenance	Exp.	MCS	MRS	\$10,300	\$857	\$1,586	15%
6435	Water - Showgrounds Dam Maintenance	Exp.	MCS	MRS	\$1,000	\$82	\$208	21%
6412	Hillman Park - Grounds Maintenance	Exp.	MCS	MWS	\$10,000	\$832	\$196	2%
6392	Newstead Park- Grounds Maint	Exp.	MCS	MWS	\$13,000	\$1,082	\$518	4%
6422	Kojonup Bk (Piesse Park) - Grounds Maint	Exp.	MCS	MWS	\$12,500	\$1,040	\$404	3%
6444	Muradup Townsite Grounds	Exp.	MCS	MWS	\$14,000	\$1,165	\$1,641	12%
6452	Playground Safety & Minor Upgrades	Exp.	MCS	MWS	\$2,300	\$191	\$0	0%
6454	Kojonup Town Entrances	Exp.	MCS	MWS	\$3,800	\$315	\$0	0%
6474	Industrial Area Slashing & Spraying	Exp.	MCS	MWS	\$1,000	\$83	\$0	0%
6478	Kids Sport Program Expenditure	Exp.	MCS	MCD&T	\$4,000	\$333	\$330	8%
6492	Myrtle Benn Reserve	Exp.	MCS	MWS	\$6,000	\$500	\$231	4%
6494	Sundry Reserves	Exp.	MCS	MWS	\$20,000	\$1,665	\$2,439	12%
6792	Admin Cash Reallocated (Other Rec)	Exp.	MCS	MCS	\$26,628	\$2,219	\$0	0%
					\$685,208	\$57,067	\$21,954	3%
6503	CSRFF Funding	Inc.	MCS	MCD&T	\$0	\$0	\$0	
6564	Kidsport Funding	Inc.	MCS	MCS	-\$4,000	-\$333	-\$5,950	149%
6563	Vehicle Reimbursement - Club Dev Off	Inc.	MCS	MCS	-\$5,000	-\$416	\$0	0%
6513	Contrib - Foot Club Sports Complex	Inc.	MCS	MCS	-\$5,800	-\$483	\$0	0%
6523	Complex Building Hire Fees	Inc.	MCS	MCS	-\$3,000	-\$250	\$0	0%
6533	Rec Ground Lease Fees	Inc.	MCS	MCS	-\$1,500	-\$125	\$0	0%
6553	Contribution - Dept Education - Oval	Inc.	MCS	MCS	-\$32,000	-\$2,666	\$0	0%
					-\$51,300	-\$4,273	-\$5,950	12%

In addition to the above information, the Committee should note that the Manager Corporate & Community Services is organising a meeting between the users of the Sporting Complex in August / September to discuss alternative models of operation / structures of tenancy for the Complex. Any outcomes of these discussion could change the financial obligations of all parties at the Sporting Complex.

This item was noted by Committee Members.

9.6 FINANCIAL MANAGEMENT POLICIES

The Council has adopted policies that relate to the financial management of the Shire of Kojonup as follows:

- 2.1.2 PURCHASING & CREDITOR CONTROL
- 2.1.3 DEBTOR CONTROL
- 2.1.4 SELF SUPPORTING LOANS
- 2.1.5 INVESTMENTS
- 2.1.6 MONTHLY FINANCIAL STATEMENTS
- 2.1.7 MAJOR GRANT APPLICATIONS
- 2.1.8 FINANCIAL GOVERNANCE
- 2.1.9 BORROWING MANAGEMENT
- 2.1.10 CORPORATE CREDIT CARDS
- 2.1.11 RELATED PARTY TRANSACTION DISCLOSURES

A copy of these policies is at [Attachment 9.6.1](#) for the information and review of the Audit & Risk Committee. These policies are reviewed annually by the Council and periodically by staff. The inclusion of these policies in this agenda is both for Committee members to be aware of their contents and as a continuous improvement opportunity.

Four (4) sample policies as developed by Moore Stephens, local government auditors and financial management training providers, are also at [Attachment 9.6.2](#) for the Committee as a benchmark point.

This item was noted by Committee Members.

10 OTHER ITEMS FOR DISCUSSION OR FURTHER RESEARCH AS RAISED BY MEMBERS

Cr Mathwin

- Future focus of the Committee – further consideration; and
- Building Assessment Framework

Mr James Hope

- Medical Centre - status; and
- Building Assessment Framework

11 NEXT MEETING

The next ordinary meeting is scheduled for Tuesday, 6 November 2018 at 9:00am.

12 CLOSURE

There being no further business to discuss, the Chairman Cr Jill Mathwin thanked members for their attendance and declared the meeting closed at 10:15 am.

13 **ATTACHMENTS (SEPARATE)**

Attachment 6.1.1 – Minutes of the Audit Committee Meeting held 15 May 2018

Attachment 9.2.1 - Vehicle and Plant Register

Attachment 9.2.2 - Property Register

Attachment 9.3.1 - Interim Audit Observations and Comments

Attachment 9.3.2 – Quotation – IT Vision

Attachment 9.4.1 – Auditor Generals Control over Corporate Credit Cards
Report

Attachment 9.4.2 – Shire of Kojonup Corporate Credit Cards Policy

Attachment 9.6.1 – Shire of Kojonup Finance Policies

Attachment 9.6.2 – Moore Stephens Sample Financial Management policies