



**WEST DALY**  
*Regional Council*

**AGENDA**

**FINANCE COMMITTEE MEETING**

**18 JANUARY 2016 AT 1pm**

**DARWIN**

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**Glenda Teede**  
Chief Executive Officer

# WEST DALY REGIONAL COUNCIL

## Agenda for Finance Committee Meeting 18th January 2016

AGENDA  
FINANCE COMMITTEE MEETING  
TO BE HELD AT THE COUNCIL OFFICE DARWIN-  
ON 18 January 2016  
COMMENCING AT 1pm

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Mayor of the West Daly Regional Council Harold Wilson declared the meeting open at 1pm and welcomed all in attendance.

### 1 PERSONS PRESENT

#### FINANCE COMMITTEE MEMBERS PRESENT

Mayor	Harold Wilson
Deputy Mayor	Andrew Brown

#### STAFF PRESENT

Chief Executive Officer	Glenda Teede
Finance Manager	Clem Barratt
Personal Assistant to CEO	Kelli Reinke

#### GUESTS

##### Local Government Compliance & Sustainability Division

Accountant	Omor Sharif Robin
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##### CouncilBIZ

General Manager	Michael Freeman
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## 2 APOLOGIES AND LEAVE OF ABSENCE

<b>Applicant:</b>	N/A
<b>Location/Address:</b>	N/A
<b>Date:</b>	18 January 2016
<b>Author:</b>	Chief Executive Officer, Glenda Teede

### SUMMARY

This report is to table, for Council's record, any apologies and requests for leave of absence received from Finance Committee Members for the Finance Committee Meeting held 18 January 2016.

### COMMENT

Council can choose to accept the apologies or requests for leave of absence as presented, or not accept them. Apologies or requests for leave of absence that are not accepted by the Finance Committee will be recorded as absence without notice.

### VOTING REQUIREMENT

Simple majority

### RECOMMENDATION

THAT the Finance Committee receive and notes apologies and grants a leave of absence for the Finance Committee Meeting held 18 January 2016.

**Moved:** Clr

**Seconded:** Clr

## 3 CONFIRMATION OF PREVIOUS MINUTES

<b>Applicant:</b>	Finance Manager
<b>Location/Address:</b>	Darwin
<b>Date:</b>	18 January 2016
<b>Author:</b>	Clem Barratt
<b>Attachments:</b>	Copy of Minutes will be tabled at the meeting

### BACKGROUND

The Finance Committee last met on 1st December 2015.

**RECOMMENDATION**

THAT the Finance Committee receive and note the minutes of the Finance Committee Meeting held on 1st December 2015.

**Moved:** Clr

**Seconded:** Clr

**4 FINANCE REPORTS**

**Applicant:** Finance Manager

**Location/Address:** Darwin

**Date:** 18 January 2016

**Author:** Clem Barratt

**SUMMARY**

As part of the monthly reporting procedures the finance report is submitted to the Finance Committee of the Council.

Attached are:-

- a) Cash and Investments Table at 31 December 2015
- b) Restricted Funds Table at 31 December 2015
- c) Community Activity Table to 31 December 2015
- d) Profit & Loss to 31 December 2015

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**Item 4(a) To be tabled at meeting**

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**Item 4 b) Cash and Investments**

**31 December 2015**

<b>Cash at Bank</b>						
Cash on Hand						5,541
Cheque Account						48,937
Investment Account						2,839,035
Term Deposits						1,750,000
<b>Total Cash at Bank</b>						<b>\$4,643,513</b>
<b>Debtors</b>						
	<b>Current</b>	<b>30 Days</b>	<b>60 Days</b>	<b>90 Days</b>		
Trade	66,819	56,861	18,682	64,251		206,613
Rates			45,951.62	5,316.88		51,268
Other – prepayments/Interest/GST/Deposit	175,190			11,649		186,839
<b>Total Debtors</b>						<b>\$444,720</b>
<b>Creditors</b>						
	<b>Current</b>	<b>30 Days</b>	<b>60 Days</b>	<b>90 Days</b>		
Trade	92,590	7,727	1,397	2,844		104,558
Other - PAYG/GST/Super	279,894					279,894
<b>Total Creditors</b>						<b>\$384,452</b>
Current Employee Entitlements						<b>\$249,611</b>
<b>Reconciliation of Funds</b>						
Balance as per General Ledger						54,478
Add: Outstanding Debtors						444,720
Less: Outstanding Creditors						<b>384,452</b>
Less: Employee Entitlements						<b>249,611</b>
Add: Investment Account						4,589,035
<b>Total Cash &amp; Receivables Available</b>						<b>\$4,454,170</b>

<b>Unspent Grants &amp; Subsidies as at 31<sup>th</sup> October</b>	<b>\$4,159,663</b>
<b>Unspent Grants &amp; Subsidies as at 30<sup>th</sup> June 2015 to be repaid</b>	<b>\$138,391</b>
<b>Funds Available to Council</b>	<b>\$156,116</b>
Excludes Contingent Liability Section 19 rent	

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**Item 4 c) Restricted Cash Funds Table**

**31 December 2015**

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Please refer to Appendix 1 – to be tabled at meeting.



Item 4.d) Community Activity Table

31 December 2015

PROGRAM - Palumpa	Full Year Funding	Income Actuals	Income Budget	Expense Actuals	Expense Budget	Commitments	Net Funds	Asset Purchases
AD - Administration	641,549.00	61,190.62	320,775.00	99,705.67	105,045.00	3,243.04	(38,515.05)	0.00
AF - Asset Management		0.00	0.00	(10.91)	0.00	1,829.31	(37,482.09)	37,493.00
AG - Aged & Disability Services		0.00	0.00	1,512.73	0.00	0.00	(1,512.73)	0.00
CA - Commercial Arrangement	204,653.00	113,675.31	102,333.00	104,499.68	92,740.00	836.12	9,175.63	0.00
CM - Cemeteries		0.00	0.00	2,407.42	2,091.00	0.00	(2,407.42)	0.00
CP - Community Patrol	256,747.00	158,189.88	128,371.00	117,084.31	136,268.00	0.00	41,105.57	0.00
EM - Elected Members		0.00	0.00	9,889.12	16,904.00	696.98	(9,889.12)	0.00
FE - Festivals, Events & Community Programs		0.00	0.00	0.00	0.00	0.00	0.00	0.00
HS - Housing - Staff Housing	2,500.00	2,548.00	1,248.00	19,669.32	23,522.00	9,086.36	(17,121.32)	0.00
IN - Infrastructure	-	0.00	0.00	0.00	0.00	0.00	0.00	0.00
LA - Local Authorities	96,272.00	98,161.08	48,138.00	8,886.95	75,382.00	0.00	89,274.13	0.00
MB - Media and Broadcasting	45,646.00	24,075.69	22,821.00	4,163.66	34,566.00	0.00	19,912.03	0.00
OC - Outstations and Homelands	302,027.00	535,774.67	151,015.00	77,689.64	115,053.00	33,503.64	354,804.16	103,280.87
PG - Parks and Gardens	47,500.00	0.00	23,754.00	34,322.01	71,718.00	108.91	(34,322.01)	0.00
RC - Street Cleaning		0.00	0.00	10,389.86	6,271.00	0.00	(10,389.86)	0.00
RM - Roads	384,423.00	243,817.50	192,211.00	27,629.30	192,209.00	8,400.00	216,188.20	0.00
SG - Special Purpose Grants	283,106.00	258,866.66	141,554.00	59,003.66	141,550.00	0.00	160,743.82	39,119.18
SR - Sport and Rec	112,768.00	41,808.88	56,380.00	76,182.36	75,877.00	0.00	(34,373.48)	0.00
VC - Vacation Care		0.00	0.00	0.00	0.00	1,022.73	0.00	0.00
WM - Waste Management	47,228.00	35,875.80	23,616.00	52,300.58	52,620.00	0.00	(16,424.78)	0.00
WS - Work Health and Safety		0.00	0.00	1,317.85	0.00	0.00	(1,317.85)	0.00
YS - Youth Services		2,000.00	0.00	1,618.00	0.00	0.00	382.00	0.00
	<b>2,424,419.00</b>	<b>1,575,984.09</b>	<b>1,212,216.00</b>	<b>708,261.21</b>	<b>1,141,816.00</b>	<b>58,727.09</b>	<b>687,829.83</b>	<b>179,893.05</b>

PROGRAM - Peppimenarti	Full Year Funding	Income Actuals	Income Budget		Expense Actuals	Expense Budget		Commitments	Net Funds	Asset Purchases
AD - Administration	632,444.00	66,160.37	316,222.00		115,455.72	135,511.00		1,758.73	(49,295.35)	0.00
AF - Asset Management		0.00	0.00		0.00	0.00		1,829.31	(37,493.00)	37,493.00
AG - Aged & Disability Services	179,585.00	132,708.65	89,796.00		74,473.42	88,015.00		577.24	58,235.23	0.00
CA - Commercial Arrangement	161,811.00	110,037.00	80,902.00		37,738.72	58,463.00		484.90	59,013.73	13,284.55
CH - Child Care Emu Point	167,684.00	81,071.74	83,844.00		73,585.19	83,840.00		4,166.72	7,486.55	0.00
CM - Cemeteries	-	0.00	0.00		1,658.09	4,183.00		0.00	(1,658.09)	0.00
CP - Community Patrol	256,747.00	158,189.88	128,371.00		81,987.91	103,837.00		311.67	76,201.97	0.00
EM - Elected Members	-	0.00	0.00		56,304.85	60,037.00		1,606.04	(57,984.39)	1,679.54
HS - Housing - Staff Housing	1,250.00	0.00	626.00		18,276.16	20,220.00		11,547.28	(18,276.16)	0.00
LA - Local Authorities	30,464.00	28,284.00	15,236.00		1,817.49	54,986.00		0.00	26,466.51	0.00
LI - Libraries	30,454.00	36,005.20	15,226.00		(348.07)	15,228.00		0.00	36,353.27	0.00
MB - Media and Broadcasting	44,540.00	16,068.69	22,267.00		22,248.35	38,757.00		181.82	(6,179.66)	0.00
OC - Outstations and Homelands	138,731.00	265,281.20	69,370.00		60,575.84	71,360.00		0.00	185,099.36	19,606.00
PG - Parks and Gardens	39,000.00	0.00	19,506.00		69,810.64	58,356.00		529.89	(69,810.64)	0.00
PL - Pools	-	0.00	0.00		7,257.25	8,926.00		118.19	(7,257.25)	0.00
RC - Street Cleaning	-	0.00	0.00		7,222.75	7,613.00		0.00	(7,222.75)	0.00
RM - Roads	294,449.00	234,189.50	147,225.00		209,519.53	147,229.00		9,800.00	24,669.97	0.00
SG - Special Purpose Grants	283,106.00	257,369.30	141,554.00		59,921.80	141,550.00		4,232.88	171,368.05	26,079.45
SR - Sport and Rec	39,768.00	37,013.38	19,884.00		18,480.19	9,791.00		1,361.37	18,533.19	0.00
VC - Vacation Care		0.00	0.00		2,368.82	0.00		0.00	(2,368.82)	0.00
WM - Waste Management	38,569.00	101,632.07	19,284.00		57,958.95	75,274.00		144.07	43,673.12	0.00
WS - Work Health and Safety		0.00	0.00		946.98	0.00		0.00	(946.98)	0.00
YS - Youth Services		2,000.00	0.00		132.53	0.00		227.27	1,867.47	0.00
	<b>2,338,602.00</b>	<b>1,524,010.98</b>	<b>1,169,313.00</b>		<b>977,260.58</b>	<b>1,183,176.00</b>		<b>38,650.11</b>	<b>448,607.86</b>	<b>98,142.54</b>

<b>PROGRAM - Wadeye</b>	<b>Full Year Funding</b>	<b>Income Actuals</b>	<b>Income Budget</b>	<b>Expense Actuals</b>	<b>Expense Budget</b>	<b>Commitments</b>	<b>Net Funds</b>	<b>Asset Purchases</b>
AD - Administration	2,568,937.00	383,118.09	1,284,473.00	467,389.41	640,219.00	15,653.18	(124,376.63)	40,105.31
AE - Aerodromes		0.00	0.00	42.73	0.00	406.00	(42.73)	0.00
AF - Asset Management	1,713,676.00	0.00	0.00	3,500.00	0.00	4,919.26	(80,555.88)	77,055.88
AG - Aged & Disability Services		1,298,799.86	856,842.00	686,196.00	708,484.00	10,954.73	585,625.86	26,978.00
CA - Commercial Arrangement	412,349.00	176,401.62	206,175.00	160,186.32	188,392.00	(41,444.62)	16,215.30	0.00
CE - Chief Executive	-	0.00	0.00	34,337.56	53,754.00	0.00	(34,337.56)	0.00
CM - Cemeteries	-	0.00	0.00	5,461.19	3,150.00	0.00	(5,461.19)	0.00
CP - Community Patrol	752,025.00	816,379.74	376,011.00	362,350.14	392,634.00	51,832.86	454,029.60	0.00
CR - Community Program	-	4,998.00	0.00	0.00	0.00	0.00	4,998.00	0.00
EM - Elected Members	-	0.00	0.00	50,077.49	78,499.00	3,818.18	(50,077.49)	0.00
HS - Housing - Staff Housing	18,000.00	67,888.64	9,000.00	185,229.09	194,557.00	6,088.18	(117,340.45)	0.00
IN - Infrastructure	-	0.00	0.00	4,995.86	0.00	0.00	(4,995.86)	0.00
LA - Local Authorities	545,311.00	690,098.62	272,659.00	41,342.04	180,666.00	64,014.27	648,756.58	0.00
LI - Libraries	84,406.00	120,928.16	42,202.00	40,376.86	42,207.00	0.00	80,551.30	0.00
MB - Media and Broadcasting	115,888.00	22,692.37	57,946.00	9,857.61	29,710.00	0.00	12,834.76	0.00
OC - Outstations and Homelands	165,442.00	209,813.83	82,722.00	112,141.18	116,683.00	1,200.00	97,672.65	0.00
PG - Parks and Gardens	137,000.00	25,295.72	68,502.00	265,501.70	228,922.00	3,548.95	(240,205.98)	0.00
PL - Pools	75,000.00	18,181.82	37,500.00	73,707.79	77,160.00	3,439.27	(79,025.97)	23,500.00
RC - Street Cleaning	-	0.00	0.00	23,785.59	15,732.00	0.00	(23,785.59)	0.00
RM - Roads	662,777.00	1,264,800.00	331,390.00	823,455.76	331,390.00	7,780.00	441,344.24	0.00
SG - Special Purpose Grants	-	403,373.06	0.00	26,976.43	0.00	13,806.64	368,766.63	7,630.00
SR - Sport and Rec	234,822.00	124,559.47	117,414.00	91,730.26	125,257.00	9,561.23	27,939.21	4,890.00
VC - Vacation Care	41,156.00	19,898.05	20,580.00	26,854.40	20,578.00	2,481.18	(6,956.35)	0.00
WM - Waste Management	343,084.00	308,402.01	171,542.00	109,439.44	150,985.00	1,525.21	198,962.57	0.00
WO - Women's Resources	-	0.00	0.00	135.01	0.00	0.00	(135.01)	0.00
WS - Work Health and Safety	-	0.00	0.00	7,619.61	0.00	0.00	(7,619.61)	0.00
<b>TOTAL:</b>	<b>7,869,873.00</b>	<b>5,955,629.06</b>	<b>3,934,958.00</b>	<b>3,612,689.47</b>	<b>3,578,979.00</b>	<b>159,584.52</b>	<b>2,162,780.40</b>	<b>180,159.19</b>

Refer to appendix 2

**RECOMMENDATION:**

THAT Finance Committee receives and notes the finance report for the period 1 July to 31 December 2015.

**Moved:** Clr

**Seconded:** Clr

**5 POLICY AMENDMENT– CREDIT CARDS – POLICY NO. 3.1.2**

**Applicant:** Chief Executive Officer

**Location/Address:** Darwin Office

**Date:** 18 January 2016

**Author:** Glenda Teede

**SUMMARY**

An amendment to Policy No. 3.1.2 is put forth to the Finance Committee for consideration and endorsement. The policy sets out WDRC's requirements for the use of corporate credit cards. The responsibilities of cardholders and Council's expectations in regard to the use of credit cards are covered by the policy.

**BACKGROUND**

Credit cards are an important and necessary tool for the Council. They are used to facilitate efficient and expedient purchasing but it is important that the use of credit cards does not expose the Council to fraud or risk.

**COMMENT**

Unregulated or inadequately controlled usage of credit cards can lead to unbudgeted expenditure, breaches of Council's procurement policy and risk of fraud. A policy clearly identifying who can approve the issue of credit cards and clearly setting out the both the responsibilities and the personal liability for misuse of cardholders is regarded as a necessary internal control.

**CONSULTATION**

Not applicable.

**STATUTORY ENVIRONMENT**

The Council has a duty to ensure that effective internal controls are in place as is the CEO who is responsible for ensuring that the Council has appropriate administrative policies and procedures to ensure services are delivered with accountability and due diligence.

## POLICY IMPLICATIONS

Having a Credit Card Policy is an important part of Council's internal controls.

 <p>WEST DALY Regional Council</p>	<h1>POLICY</h1> <h2>3.1.2</h2> <h1>Credit Cards</h1>
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## SUMMARY

Use of credit cards provides West Daly Regional Council with a convenient method for purchasing items and services where store accounts, purchase requisitions and orders are not available or are impractical and speed of purchase is of the essence.

However their use attracts service and interest fees and must be tightly controlled to prevent misuse and overuse.

## POLICY

1. Credit cards may be issued on a permanent basis under controlled conditions.
2. Allocation of credit cards and personal financial limits on those cards will be restricted only to those staff whom the Chief Executive Officer deems necessary.
3. Credit cards should be used as a purchase method only when normal Purchase Requisitions are not available nor acceptable to a merchant.
4. Financial credit limits apply as will be approved by the Chief Executive Officer.
5. Credit card holders must retain all receipts, invoices and other documentation relating to each transaction to be attached to each reconciliation statement.
6. Credit card holders must reconcile their card usage statement by attaching receipts and any explanations on a monthly basis. In the event that a particular purchase cannot be verified by a receipt, invoice or other commercial document, the card holder will provide a Statutory Declaration with all details. Reconciliations will be vetted by the Finance Department who will discuss any differences or discrepancies with the card holder.
7. Prohibited credit card purchases include, but are not limited to:
  - cash advances;
  - personal usage, even if the card holder intends to reimburse Council;
  - personal food and accommodation unless on official travel for which travel allowance has not been allocated;
  - payment of any traffic infringements or other fines personally incurred;
  - any purchase of a personal nature where Council is not involved.
8. Credit card purchases used for private use without approval of the Chief Executive Officer, regardless of circumstances, will lead to termination of employment of the card holder.

9. Any Council employee who considers they have an official need for a credit card should make written application through their manager to the Chief Executive Officer for consideration.
10. Any Council credit card that is damaged, stolen or lost, must be immediately reported to the Finance Department. The Finance Department will advise the issuing bank as soon as possible of the situation.
11. The card holder will keep the card secure at all times and not permit usage by any other person.
12. The credit card must be returned to the Finance Department or Human Resource when the card holder leaves the employ of Council for any reason.

## REFERENCES

Local Government Act  
Local Government (Accounting) Regulations

Adopted:	20 <sup>th</sup> May 2015 <b>(RESOLUTION 20.05.21)</b>
Adopted by:	Council
Review Date:	Annually on 1 <sup>st</sup> July
Review Authority:	Finance Manager / CEO
Updated:	8 <sup>th</sup> January 2016
Version No.	2
Applicable to:	All Council employees

## FURTHER INFORMATION:

Chief Financial Officer

## RECOMMENDATION:

THAT Finance Committee approves of the amendments to the Credit Cards Policy No.3.1.2.

**Moved:** Clr

**Seconded:** Clr

## 6 AUDIT COMMITTEE

**Applicant:** Chief Executive Officer

**Location/Address:** Wadeye

**Date:** 18 January 2016

**Author:** Glenda Teede

## SUMMARY

In the Ordinary Council Meeting of 19 August 2015, Council approved and adopted the Audit Committee Terms of Reference (Resolution 19.08.016) Policy No. 1.1.15.

## BACKGROUND

The Local Government (Accounting) Regulations require the Council to establish and maintain internal controls to:

- a) safeguard the assets of the council;
- b) ensure the accuracy, completeness and reliability of the accounting data;
- c) promote the operational efficiency of the council;
- d) ensure compliance with relevant laws in force in the Territory; and
- e) ensure adherence to council policies.

As part of the necessary internal control system the Council is required by the Local Government Accounting Regulations to establish and maintain an Audit Committee to monitor compliance by Council with:

- proper standards of financial management; and
- the Accounting Regulations and the Accounting Standards.

To comply with the legislative requirements the Council advertised for an independent Chair. On 31 July 2015 in a Special Council Meeting, Council accepted the Expression of Interest put forth and appointed Russell Anderson to act as Chair to the Audit Committee for a three (3) year term (Resolution 31.07.008).

#### **CONSULTATION**

Not applicable

#### **STATUTORY ENVIRONMENT**

#### **LOCAL GOVERNMENT (ACCOUNTING) REGULATIONS - REG 10**

##### **Internal controls**

- (1) The CEO must establish and maintain internal controls to:
  - (a) safeguard the assets of the council; and
  - (b) ensure the accuracy, completeness and reliability of the accounting data; and
  - (c) promote the operational efficiency of the council; and
  - (d) ensure compliance with relevant laws in force in the Territory; and
  - (e) ensure adherence to council policies.
- (2) Without limiting subregulation (1), the CEO must establish and maintain a plan (a fraud protection plan ) to detect and prevent fraud from within and outside the council.
- (3) Without limiting subregulation (1), the CEO must establish and maintain an audit committee:
  - (a) to monitor:
    - (i) compliance by the council with proper standards of financial management; and
    - (ii) compliance by the council with these regulations and the Accounting Standards; and
  - (b) whose Chairperson must not be a member of council or a member of the council's staff.

**POLICY IMPLICATIONS**

Not applicable



**POLICY**

**1.1.15**

**AUDIT COMMITTEE**

**Terms of Reference**

**1. ESTABLISHMENT**

The Audit Committee (the Committee) is established as an advisory Committee to the Council in accordance with the *Local Government Act Part 4*, and section 10 (3) of the *Local Government (Accounting) Regulations*.

**10. Internal Controls**

(1) *The CEO must establish and maintain internal controls to:*

- (a) *safeguard the assets of council; and*
- (b) *ensure the accuracy, completeness and reliability of the accounting data; and*
- (c) *promote the efficiency of the Council; and*
- (d) *ensure compliance with relevant laws in force in the Territory;*
- (e) *ensure adherence to Council policies.*

(3) *Without limiting subregulation (1), the CEO must establish and maintain an audit committee:*

(a) *to monitor:*

- (i) *compliance by the council with proper standards of financial management; and*
- (ii) *compliance by the Council with these regulations and Accounting standards; and*

(b) *whose chairperson must not be a member of Council or a member of Council's staff.*

**2. OBJECTIVE**

The Committee is to provide independent assurance and assistance to the West Daly Regional Council (the Council) and the Chief Executive Officer (CEO) on:

- The internal control processes on the effectiveness of the financial and corporate governance practices; and



- Compliance with legislative and regulatory requirements.

### **3. AUTHORITY**

With consideration of legal and confidentiality implications the Committee is authorised, within the capacity of its role and responsibilities, to:

- Obtain any information it requires from any employee and/or external party.
- Discuss any matters with the external auditor, or other external parties.
- Request the attendance of any employee at Committee meetings.
- Obtain external legal or other professional advice, as considered necessary to meet its responsibilities.

### **4. MEMBERS AND TENURE**

The Committee consists of:

- One Councillor.
- One Community Member, whom should have local government or accounting and risk management experience.
- The Council shall appoint a chairperson from the Committee nominees who is neither a councillor nor a staff member, and should have local government and accounting experience.
- The Council shall appoint the Councillor to this Committee bi-annually and the Community Member shall be appointed for the term of Council.
- The CEO and Finance Manager will attend meetings but will not be Members of the Committee.

### **5. VOTING RIGHTS**

Each Committee member will have an equal voting right. In the event of a tied vote the Chairperson is entitled to a deciding vote.

The CEO and Finance Manager will not be entitled to a vote.

### **6. KEY RESPONSIBILITIES**

The Audit Committee is an advisory Committee only. It has no power or authority to override, amend or contradict Council decisions and policies.

The Committee will undertake the following functions:

- Review quality of annual financial statements and other public accountability documents (such as annual reports) prior to their adoption by the Council.
- Review management's responses to external audit recommendations and monitor implementation of the agreed recommendations.
- Meet with the external auditors at least once each year to receive direct feedback about any key compliance issues, and to provide feedback about the auditor's performance.

- Review and provide advice on Council's finance, governance and employment policies.
- Advise the Council about the appointment of external auditors.
- Assess the adequacy of audit scope and coverage.

## **7. REPORTING**

The Committee will regularly report on its operation and activities, including:

- A summary of the key issues arising from each meeting of the Committee.
- Annually, an overall assessment of the Council's control and compliance framework, together with a summary of the work the Committee performed in conducting its responsibilities during the preceding year.
- The Committee will make recommendations and report to Council.
- Information in the annual report regarding the activities of the Audit Committee. The information will include, number of meetings, Committee Membership, principal activities including reviews and audits.
- Information will be provided on Council's website which includes Members, terms of reference, and draft minutes of meetings in accordance with Section 67(4) of the *Local Government Act*.

## **8. WORK PLAN**

A Work Plan for the Audit Committee will be prepared which sets out work to be carried out by the Committee in the short, medium and long term. The work plan will be reviewed annually by the Committee as part of the review of the Terms of Reference.

## **9. MEETINGS**

A forward meeting plan, including meeting dates and agenda items, will be agreed to by the Committee each year and will address items listed in the Work Plan.

The Committee will meet up to 4 times per year and a special meeting may be held to review the Council's Annual Report including financial statements.

A quorum will consist of a majority of Committee Members.

## **10. SECRETARIAT**

Secretariat support will be provided by the CEO.

The CEO will ensure that adequate secretarial support is provided to the Committee.

The secretariat will prepare and distribute an Agenda and supporting documentation for each meeting. These should be provided at least 3 working days prior to the meeting.

Minutes of the meetings will be taken and provided to the Committee Members within three (3) working days of the meeting.

## **11. CONFLICT OF INTERESTS**

In accordance with Section 74(1) of the *Local Government Act*, Committee Members must declare any conflicts of interest at the start of each meeting or before discussion of the relevant agenda item or topic. All details of any conflict of interests are to be minuted.

If Members or observers at a Committee meeting are deemed to have a real or perceived conflict of interest, they are to be excused from Committee discussions on the issue where the conflict of interest exists.

**12. CONFIDENTIAL AND IMPROPER USE OF INFORMATION**

Committee Members will from time to time deal with confidential reports. Section 75 of the *Local Government Act* outlines the penalties applicable to people who disclose confidential information acquired as a member of a Council Committee. Section 76 of the *Local Government Act* states that a person who makes improper use of information acquired as a member of a Council Committee is guilty of an offence.

**13. DUE DILIGENCE AND INDUCTION**

All proposed and new Members of the Committee will be entitled to receive relevant information and briefings prior to their appointment.

**14. ASSESSMENT OF COMMITTEE**

The chair of the Committee and the CEO will initiate a review of the performance of the Committee at least once every two years. The review will be on an internal assessment basis with appropriate input from the Council, CEO and senior managers, external auditors, and any other relevant stakeholders.

**15. REVIEW**

These Terms of Reference and Work Plan will be reviewed on an annual basis by the Committee.

The Committee will recommend any substantive changes to the Council for consideration.

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**WORK PLAN**

**Timing of Meetings**

The Committee Members have agreed that there should be a meeting held in February, mid-May and early October.

The date and timing of each meeting will be determined to suit the majority of the Members as per Item 9 above.

**Program of Work**

Short term (to be carried out annually)

- Review of Strategic Plan and Annual Plan Financial Statements.
- Review of September and December Quarterly budget reviews
- Review draft Annual Report and Financial Statements.
- Meet with Council auditors and review and assess annual audit and auditor’s opinion.
- Review Committee Terms of Reference and Work Plan

Medium Term (to be carried out during the term of the Council)

- Review finance, governance and employment policies.
- Review Risk Management Framework.
- Recommendations on new policies.

Long Term (To be raised and considered as required and taking into consideration Legislative requirements, critical incidents and unacceptable risk as identified by the CEO).

- Asset plans
- Critical Risk analysis.

**REFERENCES**

*Local Government Act*  
*Local Government Accounting Regulations*

Adopted:	19 August 2015 (Resolution 19.08.016)
Adopted by:	Council
Review Date:	Annually on 1 <sup>st</sup> July
Review Authority:	Chief Executive Officer
Updated:	
Version No:	1
Applicable to:	Audit Committee

**FURTHER INFORMATION:**

Chief Executive Officer

**RECOMMENDATION**

(a) THAT the Finance Committee acknowledges and note the roles and responsibilities of the Audit Committee.

**Moved: Clr.**

**Seconded: Clr.**

**7 CONFIDENTIAL ITEMS**

**RECOMMENDATION**

That Council close the meeting to the general public in accordance with section 65(2) of the Local Government Act to enable Council to discuss in a Confidential Session an item described under Local Government (Administration) regulations 8 (a, b, c, d or e)

**Moved: Clr.**

**Seconded: Clr.**

The information is classed as confidential under Clause 9 of the Local Government (Administration) Regulations 2008.

**8 NEXT MEETING**

The next Finance Committee Meeting of West Daly Regional Council will be held in Darwin on Thursday, 25th February 2016.