



**MINUTES OF THE AUDIT COMMITTEE MEETING
HELD AT THE ROXBY DOWNS COUNCIL BOARD ROOM
13 APRIL 2010**

MEETING COMMENCED AT 2.10PM.

PRESENT

Mr Peter Brass (Chairman), Mr Mark Booth, Mr Warwick Koster

IN ATTENDANCE

Mr Bill Boehm (Administrator), Mrs Carmel Paxton (Administration) and Ms Anna Syta (Financial Accountant)

Mr Peter Brass (Chairman) welcomed all in attendance.

APOLOGIES

Nil

CONFIRMATION OF MINUTES

MOTION Warwick Koster moved that minutes of the Audit Committee Meeting of 15 February 2010 be confirmed as a true and correct record.
Seconded Mark Booth

CARRIED

BUSINESS ARISING

Action Items

Summary of the following list of action items

| No | Meeting | Action / Comments | By Whom | Date Completed |
|--------------------|-------------|--|-----------------|---|
| Ongoing | | | | |
| 1 | | Update Work Plan between each Meeting | | |
| 4 | | Council's policies and procedures to be reviewed on a staggered basis throughout the year | Audit Committee | |
| | | Policies P1, P5, I6, I7, I8, I9, I13, & I26 held over for review for the next meeting | | |
| Outstanding | | | | |
| 3 | 29 Oct 2009 | Council Lawyers to prepare a report on the provisions and application of the Roxby Downs (Indenture Ratification) Act | Michael Kelledy | 10 March 2010 |
| 6 | 22 Dec 2009 | Committee to monitor and review investigatory work to be undertaken regarding the extent of financial liability for capping and post closure rehabilitation work for the Opal Road Landfill as noted in the Auditors comments under Note 17 of the 2008/09 Financial Report. | Audit Committee | Ongoing |
| | | Draft 1 Tonkin's Report presented | | 10 March 2010 |
| | | Draft 2 Tonkin's Report presented | | 13 April 2010 |
| Current | | | | |
| 1 | 15 Feb 2010 | Review Draft Terms of Reference of Service Level Benchmarking Financial Review | Audit Committee | |
| | | Draft presented | | 10 March 2010 |
| | | Final noted | | 13 April 2010 |
| 2 | 15 Feb 2010 | Review progress in Council's Service Level Financial Review with a view to incorporating substantial amounts of financial information into Councils 2010/11 budget. | Audit Committee | Ongoing |
| | | Update reports | | 15 Feb 2010 10 Mar 2010 13 April 2010 |
| 3 | 15 Feb 2010 | Review information that could affect potential financial implications of Council's current and possibly future operations | Audit Committee | |
| 4 | 15 Feb 2010 | Review some of the assumptions contained with Council's Draft LTFP relating to inflation increases and new capital and update current draft | Bill Boehm | |

Work Plan

A revised copy of the adopted Audit Committee Work Plan for the 2009/10 year was updated and reviewed by the Committee. .

MOTION Mark Booth moved that the revised Audit Committee Work Plan for the 2009/10 year updated for the 13 April 2010 meeting be received and noted.

Seconded Warwick Koster

CARRIED

ADMINISTRATORS REPORT

Service Level Benchmarking & Financial Review

A report from Wayne Coonan from Corpo8solutions highlighting the methodology and proposed Scoping Matrix of Council's Service Level Benchmarking and Financial Review Project was examined at an informal briefing workshop of the Audit Committee on 10 March 2010. Following comments received the Scoping Matrix was amended to include external benchmarking prior to public consultation so as to allow the results to be made known to the public. A further verbal update was provided by Wayne Coonan whilst in Roxby Downs on the Tuesday 13 April 2010.

MOTION Warwick Koster moved that the update on Council's Service Level Financial Review Benchmarking Project as updated for the 13 April 2010 Meeting be received and noted
Seconded Mark Booth

CARRIED

2009/10 Budget Review

Audit Committee reviewed Council's March 2010 budget review and noted that proposed budget deficit of \$1,200k is foreshadowed to be met. Other comments noted include the following:

- Staff costs were projected to be down by \$177k due to the as yet non replacement of one staff member, delay in adding a corporate support person and not having to apply an Enterprise Agreement increase until the next financial year.
- Projected Municipal Deprecation allocation is yet to be apportioned to recreation and cultural centre cost centres but will be done so at the final budget
- IT Capital (funded from reserves) is projected to increase as a result of increased costs as following a competitive tender being received extent of replacement of IT equipment was reviewed and substantially increased. Notwithstanding this the year end estimate appears high and will need to be reviewed. Tender process was very competitive and installation went smoothly. Ongoing performance thus has been very good.

MOTION Warwick Koster moved that the March 2010 Budget review be received and explanations noted.
Seconded Mark Booth

CARRIED

Policies and Procedures

The following policies & procedures have been previously forwarded to committee members for review but due to time constraints were scheduled for review at the next meeting.

P1 (Review of Council Decisions and Procedures), P5 (Contracts and Tendering Policy), I6 (Investment Policy), I7 (Internal Control Policy), I8 (Discrimination and Harassment Policy), I9 (Mobile Vendors Policy), I13 (Bad Debt Policy) and I26 (Whistle Blower Protection Policy)

Waste Management

Interim Draft Report from Tonkin's Consulting in relation to Waste Management Planning issues was forwarded to the Audit Committee an informal briefing workshop of the Audit Committee on 10 March 2010. Preliminary review by the Audit Committee indicated that the waste management report need to be to be further detailed with information included to enable a charging mechanism to be examined in detail which differentiates for ratepayers and non ratepayers. Ie Non ratepayer waste to be levied on a commercial basis with Tonkin's to be instructed to determine an appropriate differential which should also include charging for waste from Andamooka and Hiltaba Camp. Committee also indicated that Kerbside recycling needs to be presented to community on basis of possible alternative options including a no increase in deficit funding option.

An up to date revised draft of Tonkin Consulting's Waste Management Report was provide at the 13 April meeting where analysis of charging options was considered. Detailed review by the Audit Committee is still be done. As foreshadowed in Council's LTFP there are significant budget issues for Council which need to be addressed

Following review of Indenture obligations the issue of Council's responsibility for Waste Management was highlighted with clarification required

MOTION Mark Booth moved that

1. the Draft reports dated 9 March 2010 and 12 April 2010 from Tonkin Consulting on Roxby Downs Waste Management Planning Issues and Charging issues be received and noted with detailed review to follow.
2. Based on a review of the Indenture clarification is required as to where Council's responsibility lies for the provision of waste management facilities and services

Seconded Warwick Koster

CARRIED

Infrastructure Assets

A copy of an Asset Valuation Report from Tonkin Consulting for stormwater infrastructure and depreciation was tabled. Although not yet received site inspections for buildings has also been undertaken. Water Sewerage and Electricity are also well underway.

MOTION Mark Booth moved that the Asset Valuation Report from Tonkin Consulting for stormwater infrastructure and depreciation be received and noted.

Seconded Warwick Koster

CARRIED

Other Matters

The following matters have been identified by the Audit Committee which are still to be actioned

- Prepare a paper on current and previous policy positions in relation to various aspects of the Indenture and related aspects for review. Eg water, electricity pricing and capital contribution for new Indenture related subdivisions
- Body of work required around BHPB prospective projects such as Hiltaba Camp, expansion activities etc
- Update LTFP

CORRESPONDENCE

Nil

OTHER BUSINESS

Other Committee Work

The following Informal briefing workshops of the Audit Committee were undertaken between meetings

10 March 2010 (Adelaide)

Reports on the operation of Council under the Indenture, Future Recreation and Retail strategies, Draft EIS Submission, Service Level Benchmarking Financial Review (Corpo8olutions), Waste Management (Tonkin Consulting) and Roxby Downs Cultural & Leisure Precinct contract.

13 April 2010 (Roxby Downs)

Roxby Downs Advisory Reference Group Minutes, Indenture advice, cost implications and considerations, Preliminary 2010/11 to 2012/13 Budget, and briefing on Service Level Financial Review Benchmarking Review Project

Confidential Matters

2:30pm

MOTION Warwick Koster moved that these items be considered in confidence
Seconded Mark Booth

CARRIED

Discussion in confidence relating to matters raised by the Roxby Downs Advisory Reference Group be considered in confidence pursuant to Section 90(3)(j) of the Local Government Act on the basis that they contain information the disclosure of which would divulge information provided on a confidential basis by or to a Minister of the Crown, or another public authority or official (not being an employee of the council, or a person engaged by the council); and would, on balance, be contrary to the public interest, with the exception of the Administrator.

Mrs Carmel Paxton (Administration) and Ms Anna Syta (Financial Accountant) left the Meeting Room at 2:30pm

3.44pm.

MOTION Mark Booth moved that pursuant to Section 91(7) of the Local Government Act, the Audit Committee makes an order that the reports and discussions relating to the above confidential items having been considered in confidence remain in confidence for a period of 12 months and this would be reviewed prior to the expiration of this period.
Seconded Warwick Koster

CARRIED

Reopen Meeting to the Public

The Chairman declared that the section of the meeting closed to the members of the public had come to an end and that the meeting was again open to members of the public.

NEXT MEETING

To be advised

MEETING CLOSURE

The Chairman declared the meeting closed at 3.45pm.