



MINUTES

AUDIT COMMITTEE MEETING

TUESDAY 21ST DECEMBER 2016

9.00AM

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A handwritten signature in black ink, appearing to read 'Leigh Ashford', written in a cursive style.

Signed: Leigh Ashford Chief Executive Officer

AGENDA

INTERNAL AUDIT COMMITTEE

TO BE HELD IN THE COUNCIL CHAMBERS, BATCHELOR

ON WEDNESDAY 21ST DECEMBER 2016 AT 9.00AM

The Chairperson Mr Russell Anderson declared the meeting open at 9.05am and welcomed all in attendance.

1 PERSONS PRESENT

MEMBERS PRESENT

Chairperson	Mr Russell Anderson
Councillor	President Andrew Turner
Councillor	Sue Bulmer

STAFF AND OTHERS PRESENT

Chief Executive Officer	Leigh Ashford
Finance Manager	Melissa Kerr

2 APOLOGIES AND LEAVE OF ABSENCE

Applicant:	N/A
Location/Address:	N/A
File Ref:	N/A
Disclosure of Interest:	Nil
Date:	21st December 2016
Author:	Leigh Ashford, Chief Executive Officer
Attachments:	Nil

SUMMARY

This report is to table any apologies and requests for leave of absence received from Members of the Audit Committee Meeting held 21st December 2016.

BACKGROUND

Not applicable.

COMMENT

The committee 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 Council will be recorded as absence without notice.

CONSULTATION

Not applicable.

STATUTORY ENVIRONMENT

Not applicable.

POLICY IMPLICATIONS

Not applicable.

FINANCIAL IMPLICATIONS

Not applicable.

VOTING REQUIREMENT

Simple majority

RECOMMENDATION

That Committee receive and notes that there are no apologies of absence for the Audit Committee Meeting held 21st December 2016.

3 DECLARATION OF INTEREST OF MEMBERS

Applicant:	N/A
Location/Address:	N/A
File Ref:	N/A
Disclosure of Interest:	Nil
Date:	21st December 2016
Author:	Leigh Ashford, Chief Executive Officer
Attachments:	Nil

SUMMARY

Members are required to disclose an interest in a matter under consideration by the Committee at a meeting of a committee by:

- 1) In the case of a matter featured in an officer's report or written agenda item by disclosing the interest to the Council by disclosure as soon as possible after the matter is raised.
- 2) In the case of a matter raised in general debate or by any means other than the printed agenda of the Committee by disclosure as soon as possible after the matter is raised. Under disclosure, the Member must abide by the decision of Committee on whether he/ she shall remain in the meeting and/ or take part in the vote on the issue. The committee may elect to allow the Member to provide further and better particulars of the interest prior to requesting him/ her to leave the Chambers.

BACKGROUND

Not applicable.

COMMENT

Not applicable.

CONSULTATION

Not applicable.

STATUTORY ENVIRONMENT

Not Applicable

POLICY IMPLICATIONS

Conflict of Interest – Code of Conduct.

FINANCIAL IMPLICATIONS

Not applicable.

VOTING REQUIREMENT

Simple majority

RECOMMENDATION

That Council receives no declarations of interest for the Audit Meeting held 21st December 2016.

4 CONFIRMATION OF MINUTES

Location/Address:	N/A
File Ref:	N/A
Disclosure of Interest:	Nil
Date:	21st December 2016
Author:	Leigh Ashford, Chief Executive Officer
Attachments:	Copy of Minutes will be tabled at the meeting

SUMMARY

Minutes from the meeting held 13th September 2016 to be confirmed.

BACKGROUND

Not applicable.

COMMENT

Not applicable.

CONSULTATION

Not applicable.

STATUTORY ENVIRONMENT

Nil

POLICY IMPLICATIONS

Not applicable.

FINANCIAL IMPLICATIONS

Not applicable.

VOTING REQUIREMENT

Simple majority

RECOMMENDATION

That the Audit Committee receive and note the minutes from the meeting held 13th September 2016.

Moved: Clr. Turner

Seconded: Clr. Bulmer

4.1 PURCHASING POLICY

Applicant:	Melissa Kerr
Location/Address:	N/A
File Ref:	N/A
Disclosure of Interest:	Nil
Date:	21st December 2016
Author:	Leigh Ashford, Chief Executive Officer
Attachments:	Purchasing Policy Draft Purchasing Policy

SUMMARY

The purchasing policy is required to be reviewed every four years. The existing Purchasing Policy was introduced to ensure inappropriate procurement was minimised. However in practice the Policy introduces another layer of bureaucracy which adds to costs and the effective management of the operations of the Council.

The alternative Draft of a Purchasing Policy has been prepared. This will allow Council staff to better effectively manage the day to day operations of the Council and obtain better value for its Purchases. It also covers procurement practices which are not currently covered in the existing purchasing policy.

Considerations of Council concerns of inappropriate expenditure or procurement practices have been incorporated into the draft policy with minimal impact on the effective operations of the Council.

BACKGROUND

Council last adopted the purchasing policy in July 2012. The policy is due to be reviewed.

COMMENT

Nil.

CONSULTATION

Nil.

STATUTORY ENVIRONMENT

Part 13 Quotations and Tenders *Local Government (Accounting) Regulations*

POLICY IMPLICATIONS

Purchasing Policy

VOTING REQUIREMENT

Simple majority

RECOMMENDATION

That the Audit Committee presents the Draft Purchasing Policy with the discussed amendments and draft risk assessment for payment prior to receipt of services to Council for further discussion.

Moved: Clr. Turner

Seconded: Clr. Bulmer

4.2 ASSET REVALUATION

Applicant:	Melissa Kerr
Location/Address:	N/A
File Ref:	CC/16
Disclosure of Interest:	Nil
Date:	21st December 2016
Author:	Leigh Ashford, Chief Executive Officer,
Attachments:	Nil

SUMMARY

Graham Martin from Maloney Field Services was onsite at Coomalie on 16/17th November 2016 to carry out the inspections of Councils assets.

It is expected that The Company will provide additional information and draft valuations early in the New Year.

The valuations allow Council to comply with the Accounting Standards AASB 116. The work will assist Council set depreciation levels for its assets and give guidance to the level of renewal that the Council should be accommodating in its budgets. However on a cautionary note there is still a far bit of work to be done to ensure that the realistic levels of renewals to protect the assets match the levels determined with the accounting standards.

BACKGROUND

Best practice guidelines suggest that Council should carry out asset evaluations every 5 years. Council has not carried out a formal revaluation of its assets for approximately ten years.

Council provided funds in this year's budget to carry out the revaluation of the assets.

There are very few accredited valuers who can carry out this work for local government in the NT. After discussions with LGANT and a search of other options, Council accepted the quotation from Maloney Field Services to carry out the work

COMMENT

The revaluation is currently in progress, the onsite field inspections have all been conducted.

CONSULTATION

CEO

Maloney Field Services

STATUTORY ENVIRONMENT

AASB 116 Section 34 – Frequency of Revaluations - Revaluation every three to five years may be sufficient.

POLICY IMPLICATIONS

Nil

VOTING REQUIREMENT

Simple majority

RECOMMENDATION

That the Audit Committee recommends Council note the revaluation of Councils' infrastructure, property, plant and equipment has commenced.

4.3 UNIMPROVED CAPITALS VALUES FOR PROPERTIES WITH IN THE SHIRE

Applicant:	Melissa Kerr
Location/Address:	N/A
File Ref:	CC/16
Disclosure of Interest:	Nil
Date:	21st December 2016
Author:	Melissa Kerr, Finance Manager
Attachments:	Nil

SUMMARY

Council have received the notice of property valuations for properties within the Shire. These will be used as the basis for determining the Property Rates for the 2016/17 Financial Year.

Overall Council's unimproved capital valuation has increased 3.9%

In brief a summary of the changes in valuation across the Shire is as follows:

- Batchelor township all decreased about 10% except light industrial area This increased by at least 25%
- Adelaide River township mostly no change,
- Hundred of Cavanagh decrease 15%
- Hundred of Goyder (Litchfield Park Rd) /Finniss Valley decreased 15%
- Hundred of Howard increased 23%, larger blocks increased by 50%
- Hundred of Lake Bennett decrease 13%
- Hundred of Playford generally no change, larger blocks increased by 20-67%
- Hundred of Robin Falls down decrease by 10%
- Hundred of Waterhouse. Larger blocks (<400Ha) increased 20-80%

BACKGROUND

All property owners in the Shire will receive a notice of valuation in the mail the week of 23 November 2016. Property owners are allowed to object to the new valuation up until 14 December 2016.

The valuations are set by the Lands Title Office and are reviewed every three years.

COMMENT

The majority of properties have received a 0-10% decrease, except the bigger pastoral blocks that have experienced an increase from 25-100%.

CONSULTATION

CEO

Valuer General

STATUTORY ENVIRONMENT

Nil

POLICY IMPLICATIONS

Nil

VOTING REQUIREMENT

Simple majority

RECOMMENDATION

That the Audit Committee notes the new Shire valuations for rating purposes for 1/7/17.

5 OTHER BUSINESS

6 NEXT MEETING

The next Audit Committee meeting will be held at Batchelor at 9am on Tuesday 14th March 2017.