

AUDIT COMMITTEE ANNUAL REPORT

For the financial year ended 30 June 2014

This report is submitted to the Mayor and Councillors of the Tweed Shire Council to report on the activities of the Audit Committee for the financial year ended 30 June 2014.

Members of the Committee

The Committee comprised the following members,

Colin Wight	Chairman and Independent member
Ross Bell	Independent member
Carolyn Byrne	Councillor - Tweed Shire Council
Michael Armstrong	Councillor - Tweed Shire Council (until 18 September 2014)
Barry Longland	Councillor - Tweed Shire Council (since 18 September 2014)
Keith Blinco	Alternate Independent member

Committee Operations

The Audit Committee operates under the Charter determined by the Tweed Shire Council. It is advisory in nature and has no executive powers other than as expressly provided by the Council

The Committee met on five occasions during the year. Where appropriate and at the invitation of the Chairman, Council officers and representatives of the external auditors attended the meetings to assist the Committee in undertaking its role.

Formal reports have been submitted to the Committee on matters requested and an open dialogue has existed between all parties.

The Audit Committee liaises closely with the Internal Auditor who attends all Committee meetings and plays an integral role in assisting the Committee

The Committee has reviewed and considered whether:

1. Risk Management

- Management through its Enterprise Risk Management Committee has in place a current and comprehensive risk management framework, and associated procedures for effective identification and management of business and financial risks, including fraud.
- There has been a sound and effective approach followed in developing strategic risk management plans for major projects or undertakings.

2. Control Framework

- Management has adequate internal controls in place, including covering external parties such as contractors and advisors;
- Management has in place relevant policies and procedures, which are periodically reviewed and updated with appropriate processes in place to ensure they are complied with;
- Management has taken steps to embed a culture committed to ethical and lawful behaviour.
- Internal and external auditors' review of internal controls over financial reporting has been performed satisfactorily with reports on findings and recommendations together with managements responses included and satisfactorily dealt with.

3. External Audit and Accountability Processes

- The annual financial statements comply with applicable Australian Accounting Standards and are supported by appropriate management controls.
- The external audit opinions on the annual financial statements were provided to the Audit Committee.
- The external auditor's provided adequate information to the Audit Committee on the annual financial statements.
- Significant issues raised in previous years by the external auditors were resolved.

4. Legislative Compliance

- Management had appropriately considered legal and compliance risks as part of the risk assessment and management processes.
- The systems for monitoring compliance with relevant laws, regulations and associated government policies have been effective.
- The process of communicating the Council's Code of Conduct and other corruption resistance controls to personnel, and for monitoring compliance therewith has been followed.

5. Internal Audit

- The Annual Audit Plan was risk based and prepared in accordance with 'International Standard ISO 31000:2009(E) Risk Management - Principles and guidelines'.

- Audit reports, with particular reference to significant issues identified with remedial actions taken including identification and dissemination of better practices have been satisfactorily dealt with.
- Appropriate organisational structures, authority, access and reporting arrangements were in place.
- The internal auditor had provided the External Auditor with copies of all internal audit reports.
- The role of Internal Audit for the financial year has been performed satisfactorily as measured against agreed key performance indicators

Annual Financial Statements

The Committee has reviewed the draft financial statements which were tabled at its meeting on 27 October, 2014. A number of matters were discussed and it was agreed with management and the external auditors that any applicable amendments will be made and reflected in the financial statements presented to Council on 30 October 2014.


Ethical Practices

All members of the Audit Committee confirm that they have, at all times in the discharge of their duties and responsibilities:

- adhered to Council's Code of Conduct, exercised honesty, objectivity and probity and not engaged knowingly in acts or activities that have the potential to bring discredit to the Council.
- refrained from entering into any activity that may have prejudiced their ability to carry out their duties and responsibilities objectively and have at all times acted in a proper and prudent manner in the use of information acquired in the course of their duties.
- have not used Council information for any personal gain for themselves or their immediate families or any manner that would be contrary to law or detrimental to the welfare of the Council.
- have not publicly commented on matters relative to activities of the Committee other than as authorised by Council.

Conclusion

Based on the work done by the Audit Committee during the financial year, there are no material matters or exceptions that the Committee reports to the Council.



Colin Wight
Independent Member and Chairman
Tweed Shire Council Audit Committee



Ross Bell
Independent Member
Tweed Shire Council Audit Committee

27 October 2014