

AUDIT COMMITTEE ANNUAL REPORT

For the financial year ended 30 June 2016

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 2016.

Members of the Committee

The Committee comprised the following members,

Mr Colin Wight	Chairman and Independent member
Mr Ross Bell	Independent member
Mr Keith Blinco	Independent Member
Cr Carolyn Byrne	Tweed Shire Council
Cr Barry Longland	Tweed Shire Council

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 reviewed.
- 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 reviewed.

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 satisfactorily dealt with.

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

6. Annual Financial Statements

The Committee has reviewed the draft financial statements which were tabled at its meeting on 18 October, 2016. A number of matters were discussed and it was agreed with management and the external auditors that amendments will be made. Those amendments are reflected in the financial statements presented to Councillors.

CONCLUSION

In the annual report of the Audit Committee for the financial year ended 30 June 2015, the Committee expressed reservations on the facilitation of the Enterprise Risk Management Committee and its impact on risk management functions within the Council. Based on the work done by the Audit Committee during the current financial year, the Committee is satisfied that the Council has taken appropriate action to remedy those deficiencies and there are no further 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

Date: 21.10.16
