



Shire of Pingelly

Minutes

Audit Committee Meeting
17 October 2012

SHIRE OF PINGELLY

Minutes for the Shire of Pingelly Audit Committee meeting held in the Council Chamber, 17 Queen Street, Pingelly on Wednesday, 17 October 2012 – commencing at 4.20pm.

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MEMBERS PRESENT

Cr SJ Lange President
Cr WV Mulrone Deputy President
Cr NP Cowcher
Cr MG Dowdell
Cr DI Freebairn
Cr RJ Marshall
Cr JR Price
Cr LN Steel

STAFF IN ATTENDANCE

Mr MG Oliver Chief Executive Officer
Mrs SM Heazlewood Senior Finance Officer

OBSERVERS & VISITORS

Mr Tim Partridge, AMD Accountants (via Telephone)

1. OPENING & ANNOUNCEMENTS

The Chairman, Cr SJ Lange, declared the meeting open at 4.20pm and advised that Auditor Mr Tim Partridge from AMD would join the meeting by teleconference.

2. APOLOGIES & APPROVED LEAVE OF ABSENCE

Nil

3. DISCLOSURES OF INTEREST

Nil

4. CONFIRMATION OF MINUTES AND REPORTS

4.1 Ordinary Meeting – 21 December 2011

Statutory Environment:

Section 5.22 of the Local Government Act provides that minutes of all meeting to be kept and submitted to the next ordinary meeting of the council or the committee, as the case requires, for confirmation.

Voting Requirements: Simple Majority

Recommendation:

That the Minutes of the Audit Committee of the Shire of Pingelly held in the Council Chambers on 21 December 2011 be confirmed.

11196 – Moved Cr Mulrone, Seconded Cr Cowcher

That the Minutes of the Audit Committee of the Shire of Pingelly held in the Council Chambers on 21 December 2011 be confirmed.

CARRIED 8/0

Cr Mulrone left the Chamber at 4.32pm and re-entered the Chamber at 4.33pm.

S Heazlewood left the Chamber at 4.42pm and re-entered the Chamber at 4.43pm.

5. BUSINESS

5.1 Audit Management Report

File Reference:	00144
Location:	N/A
Applicant:	N/A
Author:	M.G. Oliver, Chief Executive Officer
Date:	8 October 2012
Disclosure of Interest:	Nil
Attachments:	Nil

Summary:

Council to consider the Audit Management Report for the financial year 2011/12

Background:

The role of the Audit Committee is to provide an independent oversight of the financial systems of a local government on behalf of Council. The Council (unless delegated to the Audit Committee) is required to meet a minimum of once per year with the Auditor (which may be by video or telephone). The Committee is required to examine audit reports / management letters and advice received from the Auditor and to ensure appropriate action and response is provided.

The annual audit was completed by AMD Chartered Accountants in early October 2012. Councillors have been provided with a copy of the Audit Report and Management Report.

Comment:

The Committee needs to address the issues raised in the Audit Management Report for the year ended 30 June 2012, together with comments from Management.

Consultation: Nil

Statutory Environment:

Section 7.12A provides:

- (1) A local government is to do everything in its power to —
 - (a) assist the auditor of the local government to conduct an audit and carry out his or her other duties under this Act in respect of the local government; and
 - (b) Ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (3) A local government is to examine the report of the auditor prepared under section 7.9(1), and any report prepared under section 7.9(3) forwarded to it, and is to —
 - (a) Determine if any matters raised by the report, or reports, require action to be taken by the local government; and
 - (b) Ensure that appropriate action is taken in respect of those matters.
- (4) A local government is to —
 - (a) Prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and
 - (b) Forward a copy of that report to the Minister, by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.

Regulation 16 of the *Local Government (Audit) Regulations* provides that an audit committee

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- (a) is to provide guidance and assistance to the local government —
 - (i) as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and

- (ii) as to the development of a process to be used to select and appoint a person to be an auditor;
- and
- (b) may provide guidance and assistance to the local government as to —
 - (i) matters to be audited;
 - (ii) the scope of audits;
 - (iii) its functions under Part 6 of the Act; and
 - (iv) the carrying out of its functions relating to other audits and other matters related to financial management.

Regulation 5 (Financial management duties of the CEO) of the *Local Government (Financial Management) Regulations* provides that:

- (1) Efficient systems and procedures are to be established by the CEO of a local government —
 - (a) for the proper collection of all money owing to the local government;
 - (b) for the safe custody and security of all money collected or held by the local government;
 - (c) for the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process);
 - (d) to ensure proper accounting for municipal or trust —
 - (i) revenue received or receivable;
 - (ii) expenses paid or payable; and
 - (iii) assets and liabilities;
 - (e) to ensure proper authorisation for the incurring of liabilities and the making of payments;
 - (f) for the maintenance of payroll, stock control and costing records; and
 - (g) to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.
- (2) The CEO is to —
 - (a) ensure that the resources of the local government are effectively and efficiently managed;
 - (b) assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and
 - (c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 4 financial years) and report to the local government the results of those reviews.

Policy Implications: Nil

Financial Implications: Nil

Strategic Implications: N/A

Voting Requirements: Simple Majority

Recommendation:

That the Committee address the issues in the Audit Management Report for the year ended 30 June 2012, together with comments from Management.

11197 – Moved Cr Mulroney, Seconded Cr Cowcher

That the Committee note that it had addressed the issues in the Audit Management Report for the year ended 30 June 2012, together with comments from Management.

CARRIED 8/0

11198 – Moved Cr Steele, Seconded Cr Mulroney

That Staff's efforts in again achieving a clean audit report be noted and recognised.

CARRIED 8/0

6. CLOSURE

The Chairman declared the meeting closed at 4.42pm.