



SHIRE OF ASHBURTON

AUDIT COMMITTEE MEETING

MINUTES

**Tom Price Administration Centre
and
Onslow Administration Centre**

11 April 2012

SHIRE OF ASHBURTON
AUDIT COMMITTEE MEETING

Dear Councillor

Notice is hereby given that an Audit Committee Meeting of the Shire of Ashburton will be held on Wednesday 11 April 2012 at the Tom Price Administration Centre and the Onslow Administration Centre (connection via instantaneous communication) at 4:15pm.

The business to be transacted is shown in the Agenda.

Jeff Breen
CHIEF EXECUTIVE OFFICER

4 April 2012

DISCLAIMER

The recommendations contained in the Agenda are subject to confirmation by Council. The Shire of Ashburton warns that anyone who has any application lodged with Council must obtain and should only rely on written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by the Council in respect of the application. No responsibility whatsoever is implied or accepted by the Shire of Ashburton for any act, omission or statement or intimation occurring during a Council meeting.

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1. DECLARATION OF OPENING

The meeting was declared open at 4:15pm

2. ATTENDANCE

2.1 PRESENT

Cr K White Shire President, Tom Price Ward – via telephone
Cr A Eyre Ashburton Ward – via telephone
Cr P Foster Tom Price Ward

Mr F Ludovico Executive Manager Corporate Services
Leah John Finance Manager

2.2 APOLOGIES

Cr L Shields Tom Price Ward
Mr Jeff Breen Chief Executive Officer

2.2 APPROVED LEAVE OF ABSENCE

Nil

3. ELECTION OF CHAIRPERSON

Mr F Ludovico called for nominations of Chairman.

Committee Decision

MOVED: Cr P Foster

SECOND: Cr K White

That Cr A Eyres be appointed the Chairperson for the Audit Committee.

CARRIED: 3/0

4. ANNOUNCEMENT OF VISITORS

Mr Chris Burton (Auditor) BDO (Audit) were contacted by telephone to address the Committee at 4.20pm.

5. DECLARATION BY MEMBERS

Cr's Eyre, Foster, and White stated that they had given due consideration to all matters contained in the Agenda before the meeting.

6. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

Committee Decision

MOVED: Cr White

SECONDED: Cr Foster

That the Minutes of the Audit Committee held on 16 February 2011, be confirmed as a true and accurate record.

CARRIED 3/0

7. TERMS OF REFERENCE

Under the Local Government Act 1995, Local Governments are required to appoint an Audit Committee (section 7.1A of the Local Government Act 1995).

An Audit Committee is to provide guidance and assistance to the Local Government – as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act and as to the development of a process to be used to select and appoint a person to be an auditor and may provide guidance and assistance to the Local Government as to – matters to be audited, the scope of audits, its functions under Part 6 of the Act and the carrying out of its functions relating to other audits and other matters related to financial management. (clause 16 Local Government (Audit) Regulations 1996)

Meeting cycle: At least once a year to recommend adoption of Annual Report

8. AGENDA ITEMS

8.1 REVIEW OF 2010/2011 INDEPENDANT AUDIT REPORT AND MANAGEMENT REPORT

FILE REFERENCE:	FI.AU.10.11
AUTHOR'S NAME AND POSITION:	Frank Ludovico Executive Manager Corporate Services
NAME OF APPLICANT/RESPONDENT:	Not Applicable
DATE REPORT WRITTEN:	3 April 2012
DISCLOSURE OF FINANCIAL INTEREST:	The author has no financial interest in this matter
PREVIOUS MEETING REFERENCE:	Not Applicable

Summary

The Auditors conducted the Annual Financial Audit for 2010/2011 during October 2011. This Item discussed the outcomes of that Audit.

Background

Audit procedures have been completed and the Audit Report for the year ended 30 June 2011 has been prepared by Council Auditors BDO (Audit).

Attached are Council's Annual Report, Audit Report and Management Letter

ATTACHMENT 8.1A.
ATTACHMENT 8.2B

No issues were noted to be brought to the attention of Council in the Audit Report. The Management Letter only raises one issue which will be addressed by staff. It is pleasing to note that this is significant reduction for last year. This is a result of the ongoing hard-work of all staff members within the Corporate Services.

Auditors Comments

The Auditors were invited to make comments on the 2010/2011 Annual Financial Statements.

They made the following comments in respect to the "Audit Committee Report" to Council:

- The audit went very well.
- They were satisfied with representations made in the Recoverability of Trade Receivables and Revenue Recognition.
- Explained their comments in regard to Unrecorded Liabilities and Note 14 Contingent Liability – Wittenoom in the Annual Financial Report
- The audit opinion was unqualified.
- There were no issues concerning Going Concern, Independence, Non-Compliance with Laws and Regulations, Fraud and System and Process matters.
- The Issue raised in the management letter was minor and corrective action has already been undertaken.

Staff were requested to leave the room to discuss any matters in private with auditors.

F Ludovico and L John left the room at 4:35 pm

F Ludovico and L John re-entered the room at 4:45 pm

Committee Decision

Moved Cr P Foster

Seconded Cr K White

That the Audit Committee recommend to Council the acceptance the 2010/2011 Independent Audit Report, Management Report and Annual Report.

CARRIED 3/0

The telephone call with the Auditor ended at 4:47pm

9. OTHER BUSINESS

It was reported that at the Audit Committee meeting held in February 2011 the Committee had request to reports be prepared by Bob Waddell – Consultant Accountant on Council's Private Works Income and Credit Card system

These reports are now complete.

In respect to Private Work's income staff now prepare a monthly report, which is included in the monthly Financial Statements presented to Council each month, that details income and expenses from Private Works covering a three year period. This is done as some works cover more than one financial year.

In respect to Credit Cards better reporting, a review of the policy and a usage agreement was recommended.

Commencing in April 2012 the Payments Listing presented to Council, will include details of individual credit card transactions. This will provided more information on each transaction.

The Bank Statements will also be included however they may not correspond to the Payments Listing due to timing differences. It is hoped to phase out the copies of the Bank Statement as better information will be provided in the Payments listing.

The Credit Card policy will be reviewed which will incorporate a usage agreement for each credit card holder.

10.NEXT MEETING

The next Audit Committee Meeting will be held at a time to be determined

11.CLOSURE OF MEETING

The Chairman declared the meeting closed at 4:55pm.