



AUDIT COMMITTEE MEETING

MINUTES

Committee Brief

- *Recommend the appointment of the auditor to the Council;*
- *Assist the auditor to ensure audits are conducted successfully and timely;*
- *Examine the audit report and ensure appropriate action is taken;*
- *Prepare reports on actions taken and forward to the Minister;*
- *Meet with the auditor at least once a year;*
- *Review enhanced scope of audit; and*
- *Development and review of the Shire's Long Term Financial Plan and Forward Capital Works Plan.*

A meeting of the Audit Committee was held in the Councillors' Room, Lowood Road, Mount Barker WA 6324, at 2.00pm Tuesday 6 November 2012.

Rob Stewart
CHIEF EXECUTIVE OFFICER

Committee Members

Cr K Clements, Cr L Handasyde, Cr J Moir, Cr Skinner

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1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

2.15 pm Cr Skinner declared the meeting open.

2 RECORD OF ATTENDANCE / APOLOGIES

Members Present

Cr M Skinner (Presiding Member)
Cr K Clements
Cr L Handasyde

Leave of Absence

Cr J Moir

Staff

Mr Rob Stewart - Chief Executive Officer
Mr John Fathers - Deputy Chief Executive Officer
Mr Brendan Webb - Accountant / Office Manager

3 CONFIRMATION OF MINUTES

Minutes, as circulated, of the meeting of the Audit Committee held on 14 August 2012.

Moved Cr K Clements, seconded Cr M Skinner:

That the minutes of the meeting of the Audit Committee held on 14 August 2012, as circulated, be taken as read and adopted as a correct record.

CARRIED

4 REPORTS OF COMMITTEE MEMBERS AND OFFICERS

4.1 DRAFT ANNUAL REPORT – YEAR ENDING 30 JUNE 2012

File No:	N24152
Attachments: (1)	Draft Annual Report – Year End 30 June 2012
Responsible Officer:	Rob Stewart Chief Executive Officer
Author:	John Fathers Deputy Chief Executive Officer
Proposed Meeting Date:	6 November 2012

PURPOSE

The purpose of this report is to receive the Shire of Plantagenet's 2011/2012 Annual Report.

BACKGROUND

The annual financial audit for 2011/2012 was conducted by representatives of the Council's auditors, Lincolns Accountants and Business Advisors in September 2012.

At its meeting held on 16 October 2012, the Council resolved that subject to the timely receipt of the Shire's audit report, a General Meeting of Electors be held at 6.30pm on 27 November 2012 to receive the 2011/2012 Annual Report.

STATUTORY ENVIRONMENT

Sections 5.53 – 5.56 of the Local Government Act 1995 govern the preparation of annual reports.

Section 5.54 (1) states that:

'subject to Subsection (2) the Annual Report for a financial year is to be accepted by the local government no later than 31 December after that financial year.' (Absolute Majority required)

Section 5.55 states that:

'The CEO is to give local public notice of the availability of the annual report as soon as practicable after the report has been accepted by the local government.'

FINANCIAL IMPLICATIONS

There are no financial implications for this report.

POLICY IMPLICATIONS

There are no policy implications for this report.

STRATEGIC IMPLICATIONS

There are no strategic implications for this report.

OFFICER COMMENT

The draft Annual Report notes that A number of key items of infrastructure and plant were progressed during 2011/2012, including:

- Progression of the plans for the redevelopment of Sounness Park, with site layout plans and building elevation plans for the Sounness Park Clubrooms and Changerooms being progressed.
- \$2.2 million capital roadworks program.
- New fire truck for the Denbarker Bush Fire Brigade.
- The fit out of the new Mount Barker library was largely completed with more furniture and internet access areas being constructed. The Claude Hotchin Art Collection was also displayed in the new library area.
- The carpark at the new Mount Barker Community Resource Centre was completed.
- Work continued on the nature playground at Wilson Park.
- Environmental improvements at the Saleyards were progressed in line with a new Environmental Action Plan.
- A visitor information signage board was erected in front of the visitor centre.
- Significant works were undertaken at the O'Neill Road waste disposal site in order to cater for a tip shop and recycling services.

The Shire's operating net result was \$521,059 in 2011/2012. Rate revenue increased from \$4.49 million in 2010/2011 to \$5.15 million in 2011/2012. Outstanding borrowings decreased from \$2.49 million in 2010/2011 to \$2.34 million in 2011/2012. The Council expended \$765,823 on land and buildings, \$2,394,049 on infrastructure capital works and \$914,689 on purchases of plant and equipment.

The level of reserve funds increased from \$883,861 in 2010/2011 to \$1,379,982 in 2011/2012. The level of unrestricted cash at year end rose from \$760,314 to 1,502,321 and unspent grant funds on hand reduced from \$402,367 to \$201,282.

The Council received grants and contributions for the development of assets of \$1.65 million in 2011/2012. Total grants and contributions received was \$4.04 million.

VOTING REQUIREMENTS

Absolute Majority

OFFICER RECOMMENDATION / COMMITTEE DECISION

Moved Cr M Skinner, seconded Cr L Handasyde:

That it be a recommendation to the Council:

That the Annual Report for the year ended 30 June 2012 as attached, be accepted.

CARRIED

4.2 AUDIT REPORT - YEAR ENDING 30 JUNE 2012

File No:	N24153
Attachments: (1)	2011/2012 End of Year Audit Report
Responsible Officer:	Rob Stewart Chief Executive Officer
Author:	John Fathers Deputy Chief Executive Officer
Proposed Meeting Date:	16 October 2012

PURPOSE

The purpose of this report is to present the Annual Financial Audit and Management Report for the year ending 30 June 2012.

BACKGROUND

On 17-19 September 2012, representatives of Lincolns Accountants and Business Advisors attended the Shire office to conduct an end of year audit for 2011/2012. It should be noted that the audit is designed primarily to enable the auditors to form an opinion on the financial statements and therefore does not extend to all of the Council's systems and procedures.

STATUTORY ENVIRONMENT

Section 7.12A (3) and (4) of the Local Government Act (1995) states the following:

- (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 taken 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.'*

EXTERNAL CONSULTATION

Consultation has occurred with the Shire's auditors in regard to this report.

FINANCIAL IMPLICATIONS

There are no direct financial implications for this report.

POLICY IMPLICATIONS

There are no policy implications for this report.

STRATEGIC IMPLICATIONS

There are no strategic implications for this report.

OFFICER COMMENT

A copy of the Lincolns' Audit and Management Report is attached. The management letter has raised a number of minor issues. The Administration's responses are included in that attachment.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION / COMMITTEE DECISION

Moved Cr L Handasyde, seconded Cr M Skinner:

That it be a recommendation to the Council:

That the Annual Financial Audit and Management Report for the year ending 30 June 2012 as issued by Mr Russell Harrison of Lincolns Accountants and Business Advisors be received.

CARRIED

5 GENERAL BUSINESS / MATTERS ARISING

6 NEXT MEETING

TBA

7 MEETING CLOSURE

2.31 pm The Presiding Member declared the meeting closed.

CONFIRMED: PRESIDING MEMBER _____ **DATE:** ____ / ____ / ____