



## AUDIT COMMITTEE MEETING

# MINUTES

### Committee Brief

*The duties of the Audit Committee be to:*

- *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; and*
- *Review enhanced scope of audit.*

An Ordinary Meeting of the Audit Committee was held in the Council Chambers, Lowood Road, Mount Barker WA 6324, 1.00pm Thursday 17 April 2008.

**Rob Stewart**  
**CHIEF EXECUTIVE OFFICER**

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**Chairperson:**

Cr M Skinner

**Membership**

Cr K Forbes - Rocky Gully / West Ward - Shire President

Cr J Mark - Town Ward

Cr M Skinner - East Ward

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## 1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

1.00 pm The Chairperson declared the meeting open.

## 2 RECORD OF ATTENDANCE / APOLOGIES

### Members Present

Cr M Skinner (Chairperson)

Cr K Forbes

### Apologies

Cr J Mark

### Observer

Cr S Grylls

### Staff

Mr Rob Stewart

Mr John Fathers

Ms Cherie Delmage

### Visitor

Mr W Chai

## 3 CONFIRMATION OF MINUTES

*Moved Cr K Forbes, seconded Cr M Skinner*

*THAT the Minutes of the Ordinary Meeting of the Audit Committee, held on 8 April 2008 as circulated, be taken as read and adopted as a correct record.*

**CARRIED**

## 4 REPORTS OF COMMITTEE MEMBERS AND OFFICERS

### 4.1 GENERAL

The Council's Auditor Mr Wen-Shien Chai from UHY Haines Norton Chartered Accountants was in attendance at the meeting to advise on the outcome of the interim audit of the Shire's activities. Mr Chai confirmed that both an interim audit and a Financial Management Review were being conducted. Whilst the audit was not yet completed, the following outcomes had been determined so far:

- Committee Minutes were not being signed by the Chairperson.
- Two Councillors and two employees did not properly indicate the correct financial year applying to their annual Financial Interest Return. Also, one employee did not lodge a primary return within three months of starting a new role.

- Whilst the annual compliance audit return was lodge electronically by the due date of 31 March 2008, the certified copy was sent on 3 April 2008.
- The Investment Policy was not reviewed in 2007 as required by that policy.
- The rates valuations were not reconciled to the Valuer General's records in 2007.
- It was recommended that the creditors clerk and payroll officer have their access to change banking records withdrawn to mitigate the risk of fraud.
- Some purchase orders were being raised after the receipt of invoices, instead of at the time of incurring a debt.
- There were a number of anomalies in the 2007/08 budget, in particular the carry forward position.
- Procedure manuals had become outdated.
- The bank reconciliations had been done and signed off and the auditors were happy with what they had seen, with reservations. It was intended to have a close look at the detail with the Shire's Accountant and the Council would be informed of the conclusions.

**5 NEXT MEETING**

**6 MEETING CLOSURE**

1.40 pm      The Chairperson declared the meeting closed.

**CONFIRMED: CHAIRPERSON** \_\_\_\_\_ **DATE:** \_\_\_\_\_ / \_\_\_\_\_ / \_\_\_\_\_