



AUDIT AND RISK MANAGEMENT COMMITTEE MEETING

MINUTES

SECTION 5.9(2)(a) LGA 1995

Committee Brief

1. *Provide guidance and assistance to the local government -*
 - a) *as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*
 - b) *as to the development of a process to be used to select and appoint a person to be an auditor; and*
2. *May provide guidance and assistance to the local government as to -*
 - a) *matters to be audited; and*
 - b) *the scope of audits; and*
 - c) *its functions under Part 6 of the Act; and*
 - d) *the carrying out of its functions relating to other audits and other matters related to financial management; and*
3. *Is to review a report given to it by the CEO under Regulation 17(3) (the CEO's report) and is to -*
 - a) *report to the Council the results of that review; and*
 - b) *give a copy of the CEO's report to the Council.*

A Meeting of the Audit and Risk Management
Committee was held in the Council Chambers
Lowood Road, Mount Barker WA 6324,
at 1.30pm Tuesday 19 January 2016.

Rob Stewart
CHIEF EXECUTIVE OFFICER

Committee Members

Cr K Clements, Cr L Handasyde, Cr J Moir and Cr C Pavlovich (Council 223/15)

TABLE OF CONTENTS

ITEM	SUBJECT	PAGE NO
1	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS	1
2	RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE	1
3	CONFIRMATION OF MINUTES	1
4	DISCLOSURE OF INTEREST	1
5	MEETING WITH AUDITOR – 2014/2015 ANNUAL REPORT	1
6	GENERAL BUSINESS	2
7	NEXT MEETING	2
8	CLOSURE OF MEETING	2

Membership

Cr K Clements

Cr L Handasyde

Cr J Moir

Cr C Pavlovich (Presiding Member)

Cr J Hamblin (Deputy for any member)

1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

1.30pm The Presiding Member declared the meeting open.

2 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

Members Present

Cr K Clements
Cr L Handasyde
Cr J Moir
Cr C Pavlovich (Presiding Member)

Visitors

Cr B Bell
Cr S Etherington
Cr J Hamblin
Cr J Oldfield

Staff

Mr R Stewart - Chief Executive Officer
Mr J Fathers - Deputy Chief Executive Officer
Mrs A Kendrick – Senior Administration Officer - Finance
Mr M Bird – Acting Manager Community Services

3 CONFIRMATION OF MINUTES

Moved Cr L Handasyde, seconded Cr J Moir:

That the Minutes of the Meeting of the Audit and Risk Management Committee, held on 8 December 2015 as circulated, be taken as read and adopted as a correct record.

CARRIED

4 DISCLOSURE OF INTEREST

Part 5 Division 6 Local Government Act 1995

Nil

5 MEETING WITH AUDITOR – 2014/2015 ANNUAL REPORT

Mr Harrison outlined the scope of the audit, the content of the audit report and his audit findings, which were generally very good, with only one minor issue. The financial systems of the Shire were also found to be good in the mid term audit.

Mr Harrison advised that almost \$91 million had been added to the balance sheet as result of infrastructure revaluations. While the accuracy of asset valuations generally is subject to question, it is a step in the right direction.

Mr Harrison discussed the results of the statutory ratios, in particular the negative operating surplus ratio, which was not ideal, but as it excludes non-operating grants and is therefore of limited benefit. The Shire may choose to add information to its Annual Financial Report, such as modified ratios, aimed to provide more meaningful information.

Recent discussions with the administration in this regard had been useful as they had led to discussion with other parties, such as the Department of Local Government and Communities, which is taking a keen interest in such ratios in terms of comparability and sustainability. The State Government is in fact looking at options for the Office of the Auditor General taking on audits for local government which would be good in terms of stronger guidelines and audit consistency for local government.

Mr Harrison recommended that the Shire continue to review its ratios in the Long Term Financial Plan and budget processes.

6 GENERAL BUSINESS

Nil

7 NEXT MEETING

2 February 2016

8 CLOSURE OF MEETING

2.13pm The Presiding Member declared the meeting closed.

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