



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

Meeting of the Audit Committee
held in the Committee Room at
12.30pm Tuesday 25 May 2010

Rob Stewart
CHIEF EXECUTIVE OFFICER

Committee Members

Cr K Clements, Cr M Skinner, Cr B Bell, Cr J Moir

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1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

12.30pm Cr Skinner declared the meeting open.

2 RECORD OF ATTENDANCE / APOLOGIES

Members Present

Cr M Skinner – Presiding Member

Cr K Clements

Cr J Moir

Cr B Bell

Staff

Mr Rob Stewart - Chief Executive Officer

Mr John Fathers - Deputy Chief Executive Officer

Ms Cherie Delmage - Accountant/Office Manager

3 CONFIRMATION OF MINUTES

Minutes, as circulated, of the Meeting of the Audit Committee held on 15 December 2009.

OFFICER RECOMMENDATION/ COMMITTEE DECISION

Moved Cr K Clements, seconded Cr M Skinner:

That the Minutes of the Meeting of the Audit Committee, held on 15 December 2009 as circulated, be taken as read and adopted as a correct record.

CARRIED

4 REPORTS OF COMMITTEE MEMBERS AND OFFICERS

4.1 INTERIM AUDIT REPORT

File No:	N14794
Attachment:	Interim Audit Report for Year Ending 30 June 2010
Responsible Officer:	John Fathers Deputy Chief Executive Officer
Author:	Cherie Delmage Accountant
Proposed Meeting Date:	6 July 2010

PURPOSE

The purpose of this report is to consider the interim audit report as conducted by the Shire's auditors, Lincolns in April 2010.

BACKGROUND

On 19-21 April 2010, Mr Russell Harrison and Mr Chris Harrison of Lincolns Accountants attended the Shire office to conduct an interim audit for 2009/2010 and, being newly appointed auditors to the Shire of Plantagenet, to familiarise themselves with the procedures and processes of our organisation.

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 Accountants' report has been attached. Mr Chris Harrison expressed satisfaction for procedures and processes currently practiced by Shire staff with no issues being raised.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/ COMMITTEE DECISION

Moved Cr J Moir, seconded Cr M Skinner:

That the attached report from Lincolns Accountants titled 'Interim Audit for the Year Ending 30 June 2010' be received.

CARRIED

5 GENERAL BUSINESS / MATTERS ARISING

Follow up of issues raised at end of year audit for 2008/2009.

Statutory Compliance – Repossession And Disposal Of Rateable Land

It was noted that a Form 2 and a Form 3 had not been provided to landowners when the Council progressed to selling land due to non-payment of rates. This has now been rectified and incorporated into standard Council procedures.

Depreciation of Infrastructure

This has been an ongoing process which, after much consultation and consideration, will be implemented for the 2009/2010 financial year. Lincolns have confirmed that the planned changes prepared by the administration for implementing this are acceptable.

Current Ratio

The following was noted:

- The Council commenced the 2009/2010 financial year with a \$200,000.00 deficit budget.
- Relatively low reserve levels.
- Gross debt at the higher end of acceptable levels.
- The Council had felt the need to establish an \$800,000.00 overdraft facility.

At its meeting held on 23 June 2009, the Council established a Long Term Financial Plan (LTFP) Working Group to address such issues and to ensure that the Council created sound long term financial plans to work towards achieving sustainable goals.

At its meeting held on 13 October 2009, the Council adopted Stage 1 of the LTFP which provides direction to achieve a balanced budget, increase reserves, reduce debt and to limit the reliance/requirement of an overdraft facility.

Stage 2 of the LTFP, which will provide greater detail towards achieving the LTFP's goals, is currently being refined and will be presented to the Council upon completion.

During the 2009/2010 financial year, the Council has been able to manage its resources so that the use of the overdraft facility has been less than budgeted. The original overdraft of \$800,000.00 was reduced to \$500,000.00 in July 2009.

Staff are aware of the need to implement and monitor all aspects of financial and internal control to a high standard and as such, stricter procedures and processes have been implemented. The success of such changes is evident by the recent interim audit which was highly complimentary to the processes currently being employed.

COMMITTEE DECISION

Moved Cr J Moir, seconded Cr B Bell:

That the information regarding the follow-up of issues that arose from the 2008/2009 end of year audit be noted.

CARRIED

6 NEXT MEETING

It was agreed that the next meeting of the Audit Committee, to deal with the end of year audit, will be held at the offices of the Shire’s auditors, Lincolns Accountants. The date will be advised in due course.

7 MEETING CLOSURE

12.55pm The Presiding Member declared the meeting closed.

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