



## AUDIT COMMITTEE MEETING

# MINUTES

SECTION 5.9(2)(a) LGA 1995

### 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 Committee Room, Lowood Road, Mount Barker WA 6324, at 10.00am Tuesday 27 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**

10.14am Cr Skinner declared the meeting open.

**2 RECORD OF ATTENDANCE / APOLOGIES**Members Present

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

Visitor

Mr Russell Harrison - Auditor

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 6 November 2012.

**Moved Cr K Clements, seconded Cr L Handasyde:**

**That the minutes of the meeting of the Audit Committee held on 6 November 2012, as circulated, be taken as read and adopted as a correct record.**

**CARRIED**

**4 DECLARATION OF MEMBERS' INTERESTS**

Nil

## 5 GENERAL BUSINESS / MATTERS ARISING

### 5.1 Meeting with Russell Harrison – 2011/2012 Audit 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 a few minor issues.

He discussed the requirements of the Department of Local Government's new Integrated Planning and Reporting Framework and indicated that the principles being introduced, such as fair value reporting of assets, would require some leadership from the Department in order to establish a proper framework. The government is very keen on measurable frameworks as there is a need to compare like with like, however the current guidelines are very broad and there is argument in the industry over fundamentals.

Discussion ensued in regard to the Long Term Financial Plan currently being prepared. The Chief Executive Officer pointed out the enhanced scope of the Audit Committee in strategic financial planning.

Mr Harrison discussed the \$1.1m operating loss, which was not ideal and queried the quantum of depreciation. It was indicated that determining depreciation more accurately would be a key matter for consideration in the future.

Mr Harrison also pointed out that Lincolns would be putting more resources into providing a grant acquittals service, which are becoming more frequent and problematic. Finally, it was noted that the additional audit scope next year would be the statutory four yearly annual financial review.

## 6 NEXT MEETING

TBA

## 7 MEETING CLOSURE

11.05am The Presiding Member declared the meeting closed.

**CONFIRMED: PRESIDING MEMBER** \_\_\_\_\_ **DATE:** \_\_\_\_ / \_\_\_\_ / \_\_\_\_