

Notice of Meeting

Dear Councillor

A meeting of the Shire of Pingelly Audit Committee will be held on Wednesday, 21 December 2011 in the Council Chambers, 17 Queen Street, Pingelly commencing at 3.00pm.



M.G. (Mick) Oliver
Chief Executive Officer

15 December 2011

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MISSION STATEMENT

To grow, develop and improve while maintaining our caring rural community

Agenda for the meeting of the Shire of Pingelly Audit Committee to be held in the Council Chambers, 17 Queen Street, Pingelly on Wednesday, 21 December 2011 – commencing at 3.00 pm.

Charter

Council resolved (17 March 2010) that the Charter for the Audit Committee is to:

- assist the auditor and ensure that audits are conducted successfully and timely;
- meet with the auditor at least once a year;
- examine the auditor's report and ensure appropriate action is taken; and
- Report on actions taken in respect of any issues raised by the auditor to Council.

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1. OPENING & ANNOUNCEMENTS

Chairman to declare the meeting open. Arrangements have been made for AMD Chartered Accounts to join the meeting via teleconference at 3.00 pm.

2. APOLOGIES AND APPROVED LEAVE OF ABSENCE

Nil

3. DISCLOSURES OF INTEREST

The *Local Government Act* (Section 5.60 – 5.62) provides that it is the Councillor's obligation to declare an interest if they believe that they have a financial interest, proximity interest, closely associated persons interest or an interest affecting impartiality in a matter being discussed by Council.

The Act provides that the interest may be declared in writing to the CEO prior to the meeting or declared prior to discussion of the agenda item at the meeting. Forms for this purpose are available to Councillors.

The Act further provides that the extent of the interest needs to be declared if the Councillor seeks to remain in the Chamber during the discussion, debate or voting on the item.

A Councillor declaring a financial or proximity interest must leave the meeting prior to the matter being discussed or voted on (including the question as to whether they are permitted to remain in the Chamber). Councillors remaining in the Chamber may resolve to allow the member to return to the meeting to participate in the proceedings.

4. MINUTES

Statutory Environment:

Section 5.22 of the *Local Government Act* provides that minutes of all meeting to be kept and submitted to the next ordinary meeting of the council or the committee, as the case requires, for confirmation.

Voting Requirements: Simple Majority

Recommendation:

That the Minutes of the Audit Committee of the Shire of Pingelly held in the Council Chambers on 16 November 2011 be confirmed.

5. BUSINESS

5.1 Audit Management Report

File Reference:	06.04 & 06.15.00
Location:	N/A
Applicant:	N/A
Date:	10 November 2011
Disclosure of Interest:	Nil
Author:	M.G. Oliver, Chief Executive Officer
Attachments:	Nil

Background:

The role of the Audit Committee is to provide an independent oversight of the financial systems of a local government on behalf of Council. The Council (unless delegated to the Audit Committee) is required to meet a minimum of once per year with the Auditor (which may be by video or telephone). The Committee is required to examine audit reports / management letters and advice received from the Auditor and to ensure appropriate action and response is provided.

The annual audit was completed by AMD Chartered Accountants in early November 2011. Councillors have been provided with a copy of the Audit Report and Management Report.

Comment:

The Committee noted the issues raised in the Audit Management Report for the year ended 30 June 2011, together with comments from Management.

Consultation: Nil

Statutory Environment:

Section 7.12A provides:

- (1) A local government is to do everything in its power to —
 - (a) assist the auditor of the local government to conduct an audit and carry out his or her other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (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 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.

Regulation 16 of the *Local Government (Audit) Regulations* provides that an audit committee —

- (a) is to provide guidance and assistance to the local government —
 - (i) as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and
 - (ii) as to the development of a process to be used to select and appoint a person to be an auditor;
- and

- (b) may provide guidance and assistance to the local government as to —
 - (i) matters to be audited;
 - (ii) the scope of audits;
 - (iii) its functions under Part 6 of the Act; and
 - (iv) the carrying out of its functions relating to other audits and other matters related to financial management.

Regulation 5 (Financial management duties of the CEO) of the *Local Government (Financial Management) Regulations* provides that:

- (1) Efficient systems and procedures are to be established by the CEO of a local government —
 - (a) for the proper collection of all money owing to the local government;
 - (b) for the safe custody and security of all money collected or held by the local government;
 - (c) for the proper maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process);
 - (d) to ensure proper accounting for municipal or trust —
 - (i) revenue received or receivable;
 - (ii) expenses paid or payable; and
 - (iii) assets and liabilities;
 - (e) to ensure proper authorisation for the incurring of liabilities and the making of payments;
 - (f) for the maintenance of payroll, stock control and costing records; and
 - (g) to assist in the preparation of budgets, budget reviews, accounts and reports required by the Act or these regulations.
- (2) The CEO is to —
 - (a) ensure that the resources of the local government are effectively and efficiently managed;
 - (b) assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and
 - (c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 4 financial years) and report to the local government the results of those reviews.

Policy Implications: Nil

Financial Implications: Nil

Strategic Implications: N/A

Voting Requirements: Simple Majority

Recommendation:

That the Committee be given the opportunity to question the Auditor over the reports.

6. CLOSURE

The Chairman to declare the meeting closed.