



## **MINUTES**

# **AUDIT COMMITTEE MEETING**

Thursday 21 February 2013  
Commencing At 9.04am  
At Council Chambers in Menzies.

## SHIRE OF MENZIES

### NOTICE OF AUDIT COMMITTEE MEETING

Dear Council Member,

The next Audit Committee Meeting of the Shire of Menzies will be held on Thursday 21 February 2013 at Shire Council Chambers, Shenton Street, Menzies commencing at 9.00am.

\_\_\_\_\_  
N P Crawford  
Chief Executive Officer

\_\_\_\_\_  
Date

### DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Menzies for any act or omission or statement or intimation occurring during this meeting.

It is strongly advised that persons do not act on what is heard at this meeting and should only rely on written confirmation of Council's decision, which will be provided within fourteen (14) days of this meeting.

### FINANCIAL INTEREST (EFFECTIVE 1 JULY 1996)

A financial interest occurs where a Councillor, or person with whom the Councillor is closely associated, has direct or indirect financial interest in the matter. That is, the person stands to make a financial gain or loss from the decision, either now or at some time in the future.

An indirect financial interest includes a reference to a financial relationship between that person and another person who requires a Local Government decision in relation to the matter.

#### **Councillors should declare an interest:**

- a) In a written notice given to the CEO before the meeting: or**
- b) At the meeting immediately before the matter is discussed**

A member who has declared an interest must not:

Preside at the part of the meeting relating to the matter: or  
Participate in, or be present during any discussion or decision making procedure relating to the matter.

Unless the member is allowed to do so under Section 5.68 or 5.69, Local Government Act 1995

Ref: Local Government Act 1995 Division 6 – Disclosure of Financial Interest.  
Specifically Sections 5.60, 5.61, 5.65 and 5.67

**AUDIT COMMITTEE MEETING**  
commencing at 9.04 am

## MINUTES

**1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**

The Shire President (Cr. Gregory Dwyer) declared the meeting open, welcoming the Councillors and proceeds with the agenda as planned.

**2 RECORD OF ATTENDANCE LEAVE OF ABSENCE PREVIOUSLY APPROVED**

*Attendance:*

Councillors	Cr G. Dwyer	President
	Cr J.A Dwyer	Councillor
	Cr I.R Tucker	Councillor
Staff:	Mr Peter Crawford	Chief Executive Officer
	Ms. Rose Jones,	Deputy Chief Executive Officer
Apologies:	Cr. C.K. Purchase	Councillor

**3 DECLARATIONS OF INTEREST / APPLICATIONS FOR LEAVE OF ABSENCE.**

**4 CONFIRMATION OF PREVIOUS MINUTES**

4.1 Confirmation of the Previous Minutes of Audit Committee Meeting held on 20 November 2012 as presented, be adopted.

MOVED Cr JA Dwyer

SECONDED Cr IR Tucker

**Carried 3/0**

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5.1 Consideration of Audit Report for 2011/2012

## 5.1 CONSIDERATION OF AUDIT REPORT FOR 2011/2012

<b>SUBMISSION TO:</b>	<b>Audit Committee Meeting – 21 February 2013</b>
<b>LOCATION:</b>	<b>Shire of Menzies</b>
<b>APPLICANT:</b>	<b>Rose Jones, Deputy Chief Executive Officer</b>
<b>FILE REF:</b>	<b>A7/1</b>
<b>DISCLOSURE OF INTEREST:</b>	<b>The author has no interest to disclose</b>
<b>DATE:</b>	<b>13.02.13</b>
<b>AUTHOR:</b>	<b>Rose Jones, Deputy Chief Executive Officer</b>
<b>SIGNATURE OF AUTHOR:</b>	
<b>SENIOR OFFICER:</b>	<b>Peter Crawford, Chief Executive Officer</b>
<b>SIGNATURE OF SENIOR OFFICER:</b>	

### **Attachment:**

- 5.1(a) Audit Report and Management Letter from Gregory Froomes Willey**
- 5.1(b) Address to matters raised in the Management letter – audit 2011-12**

### **SUMMARY**

Council's Audit Committee is required to consider the Audit Report and any findings reported by the auditor and to make recommendations addressing the matters raised.

### **BACKGROUND:**

Gregory Froomes Wyllie performed the audit for the year ended 30<sup>th</sup> June 2012 and forwarded his unqualified audit report on 17<sup>th</sup> January 2013.

### **COMMENT:**

The audit for 2011-12 was performed during a site visit to Menzies in early December 2012 and later following submission of information to Greg Wyllie via email. The conduct of the audit was impacted by the necessity of contacting off-site accountants – UHY Haines Norton - to obtain supporting schedules and seek evidence of reconciliations and calculations reflected in the Financial Statements. The matter was also complicated by the fact that the current CEO and DCEO were not employed during the period under audit and did not possess first-hand knowledge of some of the issues raised. A further difficulty arose as a result of staff not being fully conversant with the Network One accounting system that was used to record financial information during the year to 30<sup>th</sup> June 2012.

While the unqualified audit report is an indication that the financial records of the Shire are sound and that the Financial Statements represent a true reflection of Council's financial position the management report indicates that there is much room for improvement in procedures and practices to further ensure that Council's assets and systems are maintained in a prudent manner.

The attached report indicates that, overall, many of the noted inadequacies are already being improved through the change of the accounting records back to Quick Books and through the introduction of new and more closely scrutinised procedures. In addition a program of staff training is being implemented.

### **CONSULTATION:**

### **STATUTORY ENVIRONMENT:**

Local Government (Financial Management Regulations 1966) Regulations 13 & 34

**POLICY IMPLICATIONS:** Nil

**FINANCIAL IMPLICATIONS:** Nil

**VOTING REQUIREMENTS:** Simple Majority required

<b>AUDIT COMMITTEE RECOMMENDATIONS TO ORDINARY COUNCIL MEETING OF 28<sup>TH</sup> FEBRUARY 2013</b>
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MOVED Cr IR Tucker

SECONDED Cr JA Dwyer

That the Audit Committee recommends to Council that the Audit Report and Management Letter for the year ended 30<sup>th</sup> June 2012, as submitted by Gregory Froomes Wyllie, be received and that proposed process improvements be monitored following the conduct of the Financial Management Review later this year.

**Carried 3/0**

**6. NEXT MEETING / MEETING CLOSURE**

The next Audit Committee meeting will be as when requested by the Chairperson.

There being no further business to discuss, the President declared the meeting closed at: 10.18am.

**These Minutes were confirmed as a True and Accurate record of proceedings at the Audit Committee Meeting held on Thursday 28 March 2013.**

**Confirmed by the Shire of Menzies President,  
Cr. Gregory Dwyer** .....