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Minutes of the Audit Committee Meeting held in the Council Chambers  
on Thursday 15 November 2007 commencing at 11.52am

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

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The meeting opened at 11:52am

Cr D Anderson accepted nomination as Presiding Member, and accepted nomination.

There being no further nominations Cr Anderson was declared elected.

**2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE**

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MEMBERS

Cr DE Anderson  
Cr LJ O'Connor  
Cr DJ Grey  
Cr L Hodder  
Cr EC Rowe  
Cr TK Iturbide

STAFF

Mr N Mitchell, Chief Executive Officer  
Mr RJ Adams, Deputy Chief Executive Officer

**3. CONFIRMATION OF MINUTES**

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VOTING REQUIREMENT

Simple majority

OFFICER RECOMMENDATION/COUNCIL DECISION

**Moved Cr LJ O'Connor, Seconded Cr EC Rowe**

**A2007-1101 Confirmation of Minutes 19 April 2007**

**That the minutes of the Audit Committee meeting held on 19 April 2007, as circulated, be confirmed as a true and correct record of proceedings.**

**Motion put and carried 6/0**

## **4. REPORTS OF OFFICERS**

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### **4.1. CHIEF EXECUTIVE OFFICER'S REPORT**

#### **4.1.1 AUDITOR'S REPORT**

File: A14-1  
Author: Chief Executive Officer  
Interest Declared: No interest to disclose  
Date: 8 November 2007  
Attachments: Audit Management Report for the year ended 30 June 2007  
Independent Audit Report for the year ended 30 June 2007

#### **MATTER FOR CONSIDERATION**

Consideration of –

1. Auditor's report,
2. Management report,
3. Report of the Chief Executive Officer relating to the audit that is to be sent to the Minister.

#### **BACKGROUND**

At its Ordinary meeting on 15 November 2007, Council is to establish an Audit Committee as required by section 7.1A (1) of the Local Government Act 1995.

One of the Audit Committee's responsibilities is to examine the report of the auditor and management reports. The committee would then determine if any matters raised in the reports require action to be taken by the local government to ensure that appropriate action is implemented. A corollary to the foregoing is for the committee to receive and authorise the report relating to the audit prepared by the Chief Executive Officer that is to be sent to the Minister.

This report (see "Comment" section) outlines actions the local government intends to take in relation to matters identified by the auditor.

#### **STATUTORY ENVIRONMENT**

Local Government Act 1995 –

- s.7.9(1) – An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to –
  - a) the mayor or president;
  - b) the chief executive officer of the local government; and
  - c) the minister.
- s.7.12A (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.
- Section 7.12A (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.

#### **STRATEGIC IMPLICATIONS**

None

#### **POLICY IMPLICATIONS**

None

## FINANCIAL IMPLICATIONS

None

## CONSULTATION

None

## COMMENT

The auditor's completed this audit for the financial year ended 30 June 2007 and their reports were initially received by the Shire on 9 November 2007. These reports are attached for the consideration of the committee.

The following report provides the Chief Executive Officer's response to both the Audit Management Report and the Independent Audit Report that is submitted for the committee's attention. Should the Committee be in accord, it would then be appropriate to recommend to Council for it to authorise the Chief Executive Officer's report be sent to the Minister.

The Shire's Annual Report (2006-07) which also includes the annual financial statements for the period has been prepared and is being submitted for acceptance by Council as part of the Ordinary Council Agenda.

## CHIEF EXECUTIVE OFFICER'S REPORT RELATING TO THE AUDIT

Note: For the sake of clarity each of the issues noted by the auditor is repeated with the response shown in italics.

### Audit Management Report for the Year Ended 30 June 2007

#### Stale Cheques

We noted during our audit five stale cheques older than six months totalling \$2,981.76 in the 30 June 2007 Municipal bank reconciliation.

We recommend that these cheques should be cancelled and reissued if the payee cannot be found the monies should be forwarded to the 'unclaimed Monies' section of State Treasury

*CEO's comment – The Auditor's comment has been drawn to the attention of relevant staff.*

#### Unrecorded Liabilities

During the course of our audit we reviewed subsequent bank statements and noted unrecorded liabilities of \$31, 517.83 owing to four separate creditors. These liabilities were subsequently accrued to the correct financial year in you accounting system.

We recommend that in future, care should be taken prior to closing all accounts to ensure all are recorded at the end of each reporting period.

*CEO's comment – The four invoices were received in July 2007, and as noted, were corrected. The Auditor's comment has also been drawn to the attention of relevant staff.*

### Independent Audit Report to the Electors of the Shire of Yalgoo

The Report under Audit Qualification noted nine breaches of the Local Government Act 1995 and Regulations. These matters were noted by Council in acceptance of the Compliance Audit Return at the March 2007 Ordinary Council Meeting. No further commentary to that already given is deemed necessary.

The Report records in the section titled Qualified Audit Opinion, that the financial statements of the Shire of Yalgoo are properly drawn up.

## VOTING REQUIREMENTS

Simple majority

OFFICER RECOMMENDATION/COUNCIL DECISION

**A2007-1102    Auditor's Report**

**Moved Cr DJ Grey, Seconded Cr L Hodder**

**That the Audit Committee recommend to Council that –**

- **it receive and authorise the report of the Chief Executive Officer, as contained in the foregoing “comment” section, and**
- **a copy of the report of the Chief Executive Officer, as contained in the foregoing “comment” section, be sent to the Minister for Local Government and Regional Development.**

**Motion put and carried\***

**5.    MEETING CLOSURE**

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The CEO commended the work of DCEO Ron Adams, Accounts Officer Diane Hodder and Rates Officer Rikki Sweetman.

The Chairman declared the meeting closed at 11:56am

**DECLARATION**

These minutes were confirmed at the Audit Committee Meeting held on \_\_\_\_\_ as a true and correct record of proceedings.

Signed \_\_\_\_\_  
Person presiding at the meeting at which these minutes were confirmed