



**MINUTES FOR THE  
AUDIT COMMITTEE MEETING**

**HELD ON**

**WEDNESDAY**

18 December 2013

**SHIRE OF MINGENEW**



**WILDFLOWER COUNTRY**

## SHIRE OF MINGENEW

### MINUTES OF AUDIT COMMITTEE MEETING OF COUNCIL HELD IN COUNCIL CHAMBERS ON

18 December 2013

1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Presiding Member, Cr Michelle Bagley, declared the meeting open at 2.03pm.

2.0 ATTENDANCE

MA Bagley	President	Rural Ward
PJ Gledhill	Deputy President	Rural Ward
MP Pearce	Councillor	Town Ward
GJ Cosgrove	Councillor	Rural Ward
AT Sobey	Councillor	Town Ward
HM Newton	Councillor	Town Ward

STAFF

MC Sully	Chief Executive Officer
CL Watson	Manager of Finance & Administration

3.0 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil.

4.0 PUBLIC QUESTION TIME/PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS

No public questions were tabled.

PRESENTATION BY AUDITOR

Mr Travis Bate of RSM Bird Cameron was in attendance at the meeting from 2.03pm until 2.10pm. Mr Bate thanked Council for meeting with him and gave a brief description of his experience.

President Bagley had a question on the rate coverage ratio. Mr Bate indicated that it wasn't raised in the Audit, but it is one that the Department looks at and that Council's is currently in the normal range, but toward the low end.

President Bagley questioned whether there are any issues that Councillors should be aware of. Mr Bate indicated that reconciliations need to be completed, however the amounts in question are not material and wouldn't have had an impact on the financial reports.

Cr Pearce questioned the note regarding large amounts of accrued staff leave. Mr Bate gave an explanation of the pitfalls of having excessive amount of accrued staff leave.

5.0 APPLICATIONS FOR LEAVE OF ABSENCE  
Nil.

6.0 DECLARATIONS OF INTEREST  
Nil.

7.0 CONFIRMATION OF PREVIOUS MEETING MINUTES

**Moved: Councillor Gledhill**

**Seconded: Councillor Sobey**

**That the Minutes of the Ordinary Meeting of Council held 9 June 2011 be confirmed as a true and accurate record of proceedings.**

**CARRIED 6/0**

8.0 DISCLOSURES OF FINANCIAL AND OTHER INTERESTS  
Nil.

9.0 OFFICERS REPORTS

9.2 FINANCE

9.2.1 2012/2013 AUDIT REPORT AND MANAGEMENT REPORT

**Location/Address:** Shire of Mingenew  
**Name of Applicant:** Shire of Mingenew  
**Disclosure of Interest:** Nil  
**Date:** 12<sup>th</sup> December 2013  
**Author:** Cameron Watson – Manager Finance & Administration

**SUMMARY**

Council is requested to review and comment on the 2012/2013 Audit Report and associated Management Report.

**ATTACHMENT**

2012/2013 Audit Report.  
2012/2013 Management Report.

**BACKGROUND**

As part of the Annual Audit process, Councils' Auditors produce both an Audit Report that indicates Councils compliance with the Local Government Act and Regulations relating to financial matters and whether Councils' Annual Financial Report gives a fair and true view of the Shires' financial position as at 30<sup>th</sup> June of the given financial year.

**COMMENT**

The 2012/2013 Audit Report has indicated a clean audit relating to Councils financial position.

The 2012/2013 Management Report has made note of several issues that Councillors may want to discuss. Councils' Auditor, Mr Travis Bate will be in attendance at the Audit Committee meeting to answer any issues or concerns that Councillors may have.

**CONSULTATION**

Nil

**STATUTORY ENVIRONMENT**

Local Government Act 1995, Part 7 – Audit  
Local Government (Audit) Regulations 1996

**POLICY IMPLICATIONS**

Nil

**FINANCIAL IMPLICATIONS**

Nil

**STRATEGIC IMPLICATIONS**

Nil

**VOTING REQUIREMENTS**

Simple Majority

**COMMITTEE DECISION (OFFICER RECOMMENDATION) – ITEM 9.2.1**

**Moved: Councillor Pearce**

**Seconded: Councillor Sobey**

**That the Committee accepts the 2012/2013 Auditors Report and the 2012/2013 Management Report.**

**CARRIED 6/0**

*Note: The Management Report contains confidential material and as such is securely stored in the Shire Administration building.*



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## **INDEPENDENT AUDITOR'S REPORT TO THE RATEPAYERS OF THE SHIRE OF MINGENEW**

### **Report on the Financial Report**

We have audited the financial report of the Shire of Mingenew (the Shire), which comprises the statement of financial position as at 30 June 2013 and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended on that date and a summary of significant accounting policies and other explanatory notes and the statement by the Chief Executive Officer.

### **Shire's Responsibility for the Financial Report**

The Shire is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the financial report based on our audit. Our audit has been conducted in accordance with Australian Auditing Standards. Those standards require that we comply with the relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

We performed the procedures to assess whether in all material respects the financial report presents fairly, in accordance with the *Local Government Act 1995 Part 6* and Australian Accounting Standards (including the Australian Accounting Interpretations), a view which is consistent with our understanding of the Shire's financial position and of its performance.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.



### Independence

In conducting our audit, we followed applicable independence requirements of Australian professional ethical pronouncements.

### Auditor's opinion on the Financial Report

In our opinion, the financial report of the Shire of Mingenew:

- (i) gives a true and fair view of the financial position of the Shire of Mingenew as at 30 June 2013 and of its financial performance for the year ended on that date: and
- (ii) complies with the *Local Government Act 1995 Part 6* and the Regulations under that Act and Australian Accounting Standards (including the Australian Accounting Interpretations).
- (iii) in relation to the Supplementary Ratio Information presented on page 61 of this report, we have reviewed the calculations as presented and in our opinion these are based on verifiable information and reasonable assumptions.

### Statutory Compliance

We did not during the course of our audit become aware of any instances where the Shire did not comply with the requirements of the *Local Government Act 1995* and the *Local Government (Financial Management) Regulations 1996* as they relate to the financial report.

  
RSM BIRD CAMERON

  
S C CUBITT  
Director

Perth, WA  
Dated: 26 November 2013

10.0 URGENT BUSINESS INTRODUCED BY DECISIONS OF THE MEETING

11.1 ELECTED MEMBERS

11.2 STAFF

11.0 CONFIDENTIAL BUSINESS AS PER LOCAL GOVERNMENT ACT S5.23 (2)  
Nil.

12.0 CLOSURE

The Shire President thanked all for attending and declared the meeting closed at 2.14pm.

**These minutes were confirmed at an Audit Committee meeting on 19 March 2014.**

**Signed** \_\_\_\_\_

**Presiding Officer**

**Date:** \_\_\_\_\_