



MINUTES

**Audit Committee Meeting
held on Monday 19th March 2018,
in Council Chambers
Lot 66 Railway Street, Trayning
Commencing at 2.30pm.**



PREFACE

When the Chief Executive Officer approves these Minutes for distribution they are in essence “Unconfirmed” until the following Audit Committee Meeting, where the Minutes will be confirmed subject to any amendments made by the members of the Committee

The “Confirmed” Minutes are then signed off by the Presiding Person.

UNCONFIRMED MINUTES

These minutes were approved for distribution on 21st March 2018.



Scanned Image of Signature

Graham Merrick
CHIEF EXECUTIVE OFFICER

CONFIRMED MINUTES

These minutes were confirmed at a meeting held on

Signed: 

Note: The Presiding Member at the meeting at which the minutes were confirmed is the person who signs above



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1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Electoral Officer, Mr Graham Merrick opened the Meeting at 2.30pm and called for nominations for the position of Chairperson.

Cr Freda Tarr nominated herself and was elected unopposed as the Audit Committee Chairperson.

Mr Graham Merrick called for nomination for the Deputy Chairperson position.

Cr Melanie Brown nominated herself and was elected unopposed as the Audit Committee Deputy Chairperson.

Cr Freda Tarr took the chair at 2:34pm and resumed the meeting.

2 RECORD OF ATTENDANCE

MEMBERS:

Cr Melanie Brown (Shire President)
Cr Geoff Waters (Deputy Shire President)
Cr Freda Tarr
Cr Greg Yates
Cr Michelle McHugh
Cr Dale Vernon
Cr Marlon Hudson

STAFF:

Mr Graham Merrick (Chief Executive Officer)
Mrs Jacqui Cook (Senior Finance Officer)
Miss Belinda Taylor (Executive Assistant)

AUDITORS:

Mr Greg Godwin

3 PUBLIC QUESTION TIME

Nil

4 DISCLOSURE OF INTEREST

Nil



Shire of Trayning

5 ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION

Nil

6 MINUTES OF MEETINGS

Background

The Audit Committee Minutes of the previous meeting held 19th April 2017, have been circulated to all Councillors.

Officer Recommendation/Committee Decision

Moved: Cr MA Brown	Seconded: Cr GF Waters
It is recommended that:	
That the minutes of the Audit Committee Meeting held on 19 th April 2017 are a true and correct record of the proceedings.	
Resolution: 03-2018.14	Carried: 7/0

New Motion

Moved: Cr MS Hudson	Seconded: Cr GI Yates
That Standing Orders be suspended at 2:37pm to enable the Shire's Auditor Mr Greg Godwin from Moore Stephens to present to the Audit Committee, the 2016- 2017 Auditors Report.	
Resolution: 03-2018.15	Carried: 7/0

New Motion

Moved: Cr DK Vernon	Seconded: Cr MS Hudson
That Standing Orders be reinstated at 3:35pm.	
Resolution: 03-2018.16	Carried: 7/0

BUSINESS AS NOTIFIED

7.1 Annual Financial Report and Management Report

Date of Report:	2 nd March 2018
Proponent:	N/A
File Ref:	3.2.6.3
Officer:	Graham Merrick –Chief Executive Officer
Senior Officer:	N/A
Officer's Disclosure of Interest:	Nil
Attachments:	<ol style="list-style-type: none"> 1. 2016/2017 Annual Financial Report including Auditor' Report 2. Management Report of Year Ending 30th June 2017. 3. Draft 2016/2017 Annual Report
Voting Requirements:	Simple Majority

Introduction

The Audit Committee is requested to examine the Annual Financial Report and Management Report for the year ending 2016/2017.

Background

The purpose and responsibilities of the Audit Committee is outlined in Part 7 of the Local Government Act 1995.

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

This report outlines actions intended to be undertaken in relation to matters identified by the auditor.

Consultation

There are no adverse consultation implications envisaged from this report

Statutory Environment

Local Government Act 1995 -

7.9 Audit to be conducted

- (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; and
 - (b) the CEO of the local government;
and
 - (c) the Minister.
- (2) Without limiting the generality of subsection (1), where the auditor considers that -
 - (a) there is any error or deficiency in an account or financial report submitted for audit; or
 - (b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or
 - (c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government, details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.
- (3) The Minister may direct the auditor of a local government to examine a particular aspect of the accounts and the annual financial report submitted for audit by that local government and to -
 - (a) prepare a report thereon; and
 - (b) forward a copy of that report to the

Minister, and that direction has effect according to its terms.

- (4) If the Minister considers it appropriate to do so, the Minister is to forward a copy of the report referred to in subsection (3), or part of that report, to the CEO of the local government to be dealt with under section 7.12A.

7.12A. Duties of local government with respect to audits

- (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.

Local Government (Financial Management) Regulations 1996 -

51. Annual financial report to be signed etc. by CEO and given to Department
 - (1) After the annual financial report has been audited in accordance with the Act the CEO is to sign and append to the report a declaration in the form of Form 1.
 - (2) A copy of the annual financial report of a local government is to be submitted to the Departmental CEO within 30 days of the receipt by the local government's

CEO of the auditor's report on that financial report.

Local Government (Audit) Regulations 1996 -

10. Report by auditor
 - (1) An auditor's report is to be forwarded to the persons specified in section 7.9(1) within 30 days of completing the audit.
 - (2) The report is to give the auditor's opinion on -
 - (a) the financial position of the local government; and
 - (b) the results of the operations of the local government.
 - (3) The report is to include -

- (a) any material matters that in the opinion of the auditor indicate significant adverse trends in the financial position or the financial management practices of the local government; and
 - (b) any matters indicating non-compliance with Part 6 of the Act, the *Local Government (Financial Management) Regulations 1996* or applicable financial controls in any other written law; and
 - (c) details of whether information and explanations were obtained by the auditor; and
 - (d) a report on the conduct of the audit; and
 - (e) the opinion of the auditor as to whether or not the following financial ratios included in the annual financial report are supported by verifiable information and reasonable assumptions -
 - (i) the asset consumption ratio; and
 - (ii) the asset renewal funding ratio.
- (4A) In subregulation (3)(e) -
asset consumption ratio has the meaning given in the *Local Government (Financial Management) Regulations 1996* regulation 50(2);
asset renewal funding ratio has the meaning given in the *Local Government (Financial Management) Regulations 1996* regulation 50(2).
- (4) Where it is considered by the auditor to be appropriate to do so, the auditor is to prepare a management report to accompany the auditor's report and to forward a copy of the management report to the persons specified in section 7.9(1) with the auditor's report.

The recommendation that follows is consistent with the legislative requirements.

Policy Implications

This proposal does not contain any notable policy implications.

Financial Implications

This proposal does not contain any notable financial implications.

Strategic Implications

This proposal does not contain any notable strategic implications

Environmental Implications

This proposal does not contain any notable environmental implications.

Social Implications

This proposal does not contain any notable social implications.

Officer's Comment

The auditor's completed the audit for the financial year ended 30 June 2017 and the Independent Auditor's Report is dated 23rd of November 2018. The attached reports include the Chief Executive Officer's response to both the Management Report for the year ended 30 June 2017 and the Independent Auditor's Report for the same period that is submitted for the Committee's attention.

The Shire's Draft Annual Report (2016-2017) which also includes the annual financial statements for the period has been prepared for acceptance by Council at the March 2018 Council meeting.

Officer Recommendation/Committee Decision

Moved: Cr MS Hudson

Seconded: Cr DK Vernon

It is recommended that:

The Audit Committee accepts the Annual Financial Report, inclusive of the Independent Auditors Report to the Electors of the Shire of Trayning, for the year ending 30 June 2017.

1. The Audit Committee accepts the attached Chief Executive Officer's Report and forward a copy of said report to the Minister.
2. The Audit Committee endorses the Shire of Trayning Draft Annual Report for the financial period ending 30 June 2017 with the amendment to Note 21(a), and commend same to the Shire of Trayning for formal acceptance.

Resolution: 03-2018.16

Carried: 7/0



Shire of Trayning

**AGENDA FOR AUDIT COMMITTEE MEETING
Wednesday 19th March 2018**

8 URGENT BUSINESS BY DECISION OF MEETING

Nil

9 MATTERS FOR WHICH THE MEETING MAY BE CLOSED

Nil

10 NEXT MEETING

As required.

11 CLOSURE OF MEETING

There being no further business the Chairperson Cr Freda Tarr declared the meeting closed at 3:37pm

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