



Audit Committee

26 February 2013

MINUTES



MINUTES OF AN AUDIT COMMITTEE MEETING, HELD IN THE UPSTAIRS MEETING AREA, ON TUESDAY, 26 FEBRUARY 2013, COMMENCING AT 6.30PM.

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MINUTES OF AN AUDIT COMMITTEE MEETING, HELD IN THE UPSTAIRS MEETING AREA, ON TUESDAY, 26 FEBRUARY, 2013 COMMENCING AT 6.30PM.

A1. OPENING OF MEETING

The Presiding Member declared the meeting open.

A1.1 Present

Cr R Olson	Presiding Member
Cr B de Jong	
Cr M Rico	
Mr L Mainwaring	Executive Manager Finance & Administration
Mr K Dyer	Operations Manager

A2. ACKNOWLEDGEMENT OF COUNTRY

“On behalf of the Council I would like to acknowledge the Nyoongar people as the traditional custodians of the land on which this meeting is taking place.”

A3. WELCOME TO GALLERY

There were no members of the public present.

A4. APOLOGIES

Mayor Ferris
Cr Lilleyman

A5. PUBLIC QUESTION TIME

Nil.

A6. CONFIRMATION OF MINUTES

A6.1 Audit Committee Meeting – 6 December 2012

Cr Rico – Cr de Jong

That the Minutes of the Audit Committee Meeting held on 6 December 2012, and adopted at the Council Meeting held on 11 December 2012 be confirmed with the following correction to MB Ref A18.2 Annual Financial Report 2011-2012:

That the 1st paragraph on page 8 be amended to read:

“The officers provided the following summary of recommended changes to the original officer recommendation with regard to the various allocations recommended for the net operating surplus and tabled a revised recommendation:

- *An additional \$14,000 allocation to E11673 Glasson Park for existing swings softfall and steel refurbishment*
- *An additional \$65,000 allocation to E11246 East Fremantle Oval Masterplan for a communications strategy*
- *A reduction of the carried forward operating surplus allocation to \$15,199.”*

CARRIED

A7. CORRESPONDENCE (LATE RELATING TO ITEMS IN AGENDA)

Nil.

**A8. BUSINESS****A8.1 2012 Compliance Audit Return**

By Les Mainwaring Executive Manager Finance and Administration on 12 February 2013

PURPOSE

To facilitate the adoption of the Compliance Audit Return 2012 for submission to the Department of Local Government by 31 March 2013. **ATTACHMENT**

BACKGROUND

Section 7.13(i) of the Local Government Act 1995 requires that each local government carry out a compliance audit for the period 1 January to 31 December each year.

During 2009 and 2010 the Local Government Department carried out reviews of the process, in response to widespread concerns in the local government sector in relation to the magnitude of the reporting and the resource implications involved for the officers concerned. Between 2009 and 2011 the number of compliance questions was reduced from 347 down to 78.

In 2012 the Local Government Department has included 78 questions.

The Compliance Audit Return is to be:

1. Presented to an Ordinary Meeting of Council,
2. Adopted by Council; and
3. Recorded in the minutes of the meeting at which it is adopted.

After the Compliance Audit Return (CAR) has been presented to Council, a certified copy of the return signed by the Mayor and Chief Executive Officer, along with the relevant section of the minutes and any additional information detailing the contents of the return are to be submitted to the Department of Local Government by 31 March 2013.

REPORT

The statutory Compliance Audit Return runs on a calendar year basis and is for the period 1 January 2012 to 31 December 2012.

The statutory Compliance Audit Return is completed by self assessment by the Chief Executive Officer and other Principal Officers, as relevant to their responsibilities.

Council is required to adopt the Compliance Audit Return and forward it to the Minister for Local Government no later than the 31 March 2012.

Where matters have not occurred during the period, questions are marked as N/A.

All other compliance matters in 2012 were marked as Yes, except for item 6 under Finance where the audit report was not received within 30 days from the final audit as per Audit Regulation 10. The final audit visit was completed 22 August and the audit report was received by the local government on 5 November (signed off 31 October). There was some delay in completing the Joint Venture Note 14 due to the timing of audit completion for the Southern Metropolitan Regional Council on 8 October 2012.

Statutory Requirements**Local Government Act 1995****7.13 Regulations as to audits**

- (i) requiring local governments to carry out, in the prescribed manner and in a form approved by the Minister, an audit of compliance with such statutory requirements as are prescribed whether those requirements are —



- (i) of a financial nature or not; or
- (ii) under this Act or another written law.

Local Government (Audit) Regulations 1996

14. Compliance audits by local governments

- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.
- (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.
- (3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.
- (3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —
 - (a) presented to the council at a meeting of the council; and
 - (b) adopted by the council; and
 - (c) recorded in the minutes of the meeting at which it is adopted.

15. Compliance audit return, certified copy of etc. to be given to Executive Director

- (1) After the compliance audit return has been presented to the council in accordance with regulation 14(3) a certified copy of the return together with —
 - (a) a copy of the relevant section of the minutes referred to in regulation 14(3)(c); and
 - (b) any additional information explaining or qualifying the compliance audit,is to be submitted to the Executive Director by 31 March next following the period to which the return relates.
- (2) In this regulation —

certified in relation to a compliance audit return means signed by —

 - (a) the mayor or president; and
 - (b) the CEO.

Relevant Council Policies

Nil

Principal Activity Plan Implications

Nil

Strategic Plan Implications

Nil

Financial/Resource/Budget Implications

Nil

RECOMMENDATION TO COUNCIL

That Council adopt the Compliance Audit Return for the period 1 January to 31 December 2012.



RECOMMENDATION TO COUNCIL

Cr de Jong – Cr Rico

That Council adopt the Compliance Audit Return for the period 1 January to 31 December 2012. CARRIED

A9. CONFIDENTIAL BUSINESS

A9.1 Appointment of External Auditor

Cr de Jong – Cr Olson

That this matter be dealt with on a confidential basis, in accordance with Section 5.23(2)(c) of the Local Government Act, which involves confidentiality provisions in relation to a contract. CARRIED

The Committee considered a confidential report prepared by the Executive Manager Finance & Administration. **CONFIDENTIAL ATTACHMENT**

RECOMMENDATION TO COUNCIL

Cr De Jong – Cr Rico

That the audit committee recommends that Council appoint;

- Bill Thomas (Registered Co. Auditor #302989)
- Chris McLaughlin (Registered Co. Auditor #302919)

as the nominated auditors from Anderson Munro and Wylie Chartered Accountants for one (1) financial year with an option of a further two (2) financial years, to be entirely at Council's discretion, covering the reporting periods 1 July 2012 to 30 June 2015. CARRIED

ABSOLUTE MAJORITY REQUIRED

A10. URGENT BUSINESS WITHOUT NOTICE BY PERMISSION OF THE MEETING

Nil.

A11. CLOSURE OF MEETING

There being no further business, the meeting closed at 7.02pm.

*I hereby certify that the Minutes of the meeting of the **Audit Committee** of the Town of East Fremantle, held on **26 February 2013**, Minute Book reference **A1. to A11.** were confirmed at the meeting of the Committee on*

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Presiding Member