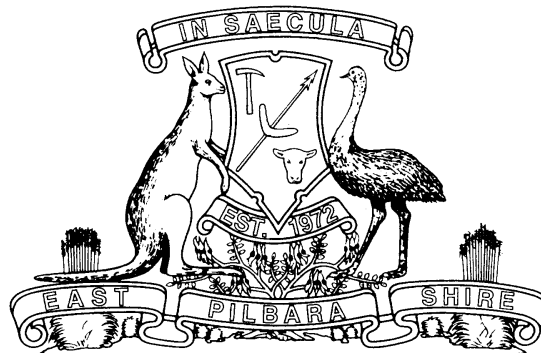


Unconfirmed copy of Minutes of Meeting held on 5 December 2013, subject to confirmation at Meeting to be held on 27 February 2014.



EAST PILBARA SHIRE COUNCIL

MINUTES

AUDIT COMMITTEE MEETING

**THURSDAY 5 DECEMBER 2013
COUNCIL CHAMBERS NEWMAN**

**Allen Cooper
CHIEF EXECUTIVE OFFICER**

THE HEART
OF THE
PILBARA



DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of East Pilbara for any act, omission or statement or intimation occurring during Council or Committee Meetings. The Shire of East Pilbara disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee Meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or Committee Meeting does so at that person's or legal entity's own risk.

In particular and without derogating any planning application or application of a licence, any statement or intimation of approval made by any member or Officer of the Shire of East Pilbara during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of East Pilbara.

The Shire of East Pilbara warns that anyone who has any application lodged with the Shire of East Pilbara must obtain and should only rely on

WRITTEN CONFIRMATION

of the outcome of the application and any conditions attaching to the decision made by the Shire of East Pilbara in respect of the application.

Signed: _____
Allen Cooper
Chief Executive Officer

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1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

8:00am

2 RECORD OF ATTENDANCES/APOLOGIES/LEAVE OF ABSENCE

2.1 ATTENDANCES

Cr Anita Grace

Cr Doug Stead

Cr Gerry Parsons

Ms Angela McDonald Manager Finance and
Administration

2.2 APOLOGIES

Cr Shane Carter

2.3 LEAVE OF ABSENCE

Nil

3 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

Nil

4 PUBLIC QUESTION TIME

Nil

5 PETITIONS/DEPUTATIONS/PRESENTATIONS

5.1 BDO Audit (WA) Pty Ltd – 2012/2013 Audit

6 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

7 CONFIRMATION OF MINUTES OF PREVIOUS COUNCIL MEETING

7.1 CONFIRMATION OF MINUTES

OFFICER 'S RECOMMENDATION:

Moved Cr Anita Grace

Seconded: Cr Doug Stead

THAT the minutes of the Audit Committee meeting held at Newman on 18th July 2013, be confirmed as a true and correct record of proceedings.

8 MEMBERS REPORT

8.1 ITEMS FOR RECOMMENDATION

Nil

9 OFFICER'S REPORTS

9.1 MONTHLY FINANCIAL STATEMENTS – SEPTEMBER 2013

Attachments:	Council monthly reports.pdf
Responsible Officer:	Ms Sian Appleton Deputy Chief Executive Officer
Author:	Ms Angela McDonald Manager Finance and Administration
Proposed Meeting Date:	5-DEC-2013
Location/Address:	N/A
Name of Applicant:	N/A
Author Disclosure of Interest:	Nil

REPORT PURPOSE

To provide Councillors with a monthly financial statement on the operations of Council.

BACKGROUND

The attached ten page report details the financial activities of the Council for the period 1st July 2013 to 30th September 2013 of the 2013/2014 financial year.

There are 4 sections of the monthly report:

1. An operating statement comparing income and expenditure to the adopted budget for each function of Council.
2. A more detailed schedule which breaks the operating statement down into the various operational sections and departments of Council.
3. A schedule detailing all expenditure for the year to date for individual capital items.
4. A statement of cash flows.

COMMENTS/OPTIONS/DISCUSSIONS

The Manager of Finance and Administration will provide an overview and explanation as required of how to interpret the financial statements at the meeting.

STATUTORY IMPLICATIONS/REQUIREMENTS

Part 6 - Financial Management (Division 3 - Reporting on activities and finance) 6.4. Financial report (pg 211)

Regulation 34(1) of the Local Government (Financial Management) Regulations states that:

“A local Government is to prepare each month a statement of financial activity reporting on the sources and applications of funds, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail –

- a) *annual budget estimates”*
- b) *budget estimates to the end of the month to which the statement relates;*
- c) *actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;*
- d) *material variances between the comparable amounts referred to in paragraphs (a) and (c); and*
- e) *the net current assets at the end of the month to which the statement relates.*

POLICY IMPLICATIONS

Complies with Council’s Accounting Policies as per the current Policy Manual.

PLAN FOR FUTURE OF THE DISTRICT

Nil

FINANCIAL IMPLICATIONS

This report discloses financial activities for the period under review.

VOTING REQUIREMENTS

Simple

OFFICER’S RECOMMENDATION

Moved: Cr Gerry Parsons

Seconded: Cr Anita Grace

THAT the monthly financial statements for the period 1 July 2013 to 30 September 2013 of the 2013/2014 financial year as presented be received.

9.2 MONTHLY FINANCIAL STATEMENTS – OCTOBER 2013

Attachments:	Council monthly reports October.pdf
Responsible Officer:	Ms Sian Appleton Deputy Chief Executive Officer
Author:	Ms Angela McDonald Manager Finance and Administration
Proposed Meeting Date:	5-DEC-2013
Location/Address:	N/A
Name of Applicant:	N/A
Author Disclosure of Interest:	Nil

REPORT PURPOSE

To provide Councillors with a monthly financial statement on the operations of Council.

BACKGROUND

The attached ten page report details the financial activities of the Council for the period 1st July 2013 to 31st October 2013 of the 2013/2014 financial year.

There are 4 sections of the monthly report:

1. An operating statement comparing income and expenditure to the adopted budget for each function of Council.
2. A more detailed schedule which breaks the operating statement down into the various operational sections and departments of Council.
3. A schedule detailing all expenditure for the year to date for individual capital items.
4. A statement of cash flows.

COMMENTS/OPTIONS/DISCUSSIONS

The Manager of Finance and Administration will provide an overview and explanation as required of how to interpret the financial statements at the meeting.

STATUTORY IMPLICATIONS/REQUIREMENTS

Part 6 - Financial Management (Division 3 - Reporting on activities and finance) 6.4. Financial report (pg 211)

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“A local Government is to prepare each month a statement of financial activity reporting on the sources and applications of funds, as set out in the annual budget under regulation 22(1)(d), for that month in the following detail –

- a) annual budget estimates”*
- b) budget estimates to the end of the month to which the statement relates;*
- c) actual amounts of expenditure, revenue and income to the end of the month to which the statement relates;*
- d) material variances between the comparable amounts referred to in paragraphs (a) and (c); and*
- e) the net current assets at the end of the month to which the statement relates.*

POLICY IMPLICATIONS

Complies with Council’s Accounting Policies as per the current Policy Manual.

PLAN FOR FUTURE OF THE DISTRICT

Nil

FINANCIAL IMPLICATIONS

This report discloses financial activities for the period under review.

VOTING REQUIREMENTS

Simple

OFFICER’S RECOMMENDATION

Moved: Gerry Parson Seconded: Cr Doug Stead
THAT the monthly financial statements for the period 1 July 2013 to 31 October 2013 of the 2013/2014 financial year as presented be received.

9.3 PRESENTATION OF ANNUAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2013

File No:	FIN 1-1
Attachment(s): (1)	Annual Statements
Location/Address:	N/A
Name of Applicant:	N/A
Author Name/Position:	Ms Angela McDonald Manager Finance and Administration
Disclosure of Interest:	Nil

REPORT PURPOSE

For committee members to review the Annual Statements for the year ended 30 June 2013.

BACKGROUND

A copy of the Annual Statements are included with this agenda.

These statements are the basis of the annual audit of the financial affairs of Council which took place week commencing 14th October 2013.

These statements also form the financial portion of the Council's Annual Report.

When the Audit Committee was established a prime task delegated to it by the Council was the responsibility for the annual audit as expressed in the motion adopted by Council at item 9.3.3 of the meeting held on 28 October 2005 and reproduced below.

“Audit Committee – Terms Of Reference

1. Objectives of Audit Committees

The primary objective of the Audit committee is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

Reports from the committee will assist Council in discharging its legislative responsibilities of controlling the local government's affairs, determining the local government's policies and overseeing the allocation of the local government's finance and resources. The committee will ensure openness in the local government's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the local government's financial accounting systems and compliance with legislation.”

COMMENTS/OPTIONS/DISCUSSIONS

Officers will give an overview of Council's financial situation as at the end of the 2013 financial year, and any further end of year work required before the annual audit can be undertaken.

STATUTORY IMPLICATIONS/REQUIREMENTS

Section 5.54 of the Local Government Act 1995 -
Acceptance of Annual Reports.

The annual report must be accepted by Council no later than the 31st December after the end of that financial year or if the auditor's report is not available, no later than two months after the receipt of the auditor's report.

POLICY IMPLICATIONS / STRATEGIC PLAN

Nil.

FINANCIAL IMPLICATIONS

Nil.

VOTING REQUIREMENTS

Absolute

OFFICER'S RECOMMENDATION

Moved: Cr Doug Stead

Seconded: Cr Anita Grace

THAT the Annual Statements for the year ending 30 June 2013 be received subject to audit sign off.

9.4 TO REVIEW THE AUDITOR'S AUDIT COMMITTEE REPORT FOR THE YEAR ENDED 30 JUNE 2013

File No:	FIN 1-1
Attachment(s): (1)	Audit Committee Report
Location/Address:	N/A
Name of Applicant:	N/A
Author Name/Position:	Ms Angela McDonald Manager Finance and Administration
Disclosure of Interest:	Nil

REPORT PURPOSE

To review the Audit & Risk management Committee Report for the year ended 30 June 2013, and to recommend to Council that the information be received.

BACKGROUND

With regard to the Shire's annual financial audit for the year ended 30 June 2013 an unqualified audit report (ie a 'clean' audit) was received and it stated:

Audit Opinion

"In our opinion, the financial report of the Shire of East Pilbara:

- i. Presents fairly, in all material respects; the financial position of the Shire of East Pilbara as at 30 June 2013 and of its performance for the year ended; and*
- ii. Complies with Australian Accounting Standards (including the Australian Accounting Interpretation); and*
- iii. Is prepared in accordance with the requirements of the Local Government Act 1995 Part 6 (as amended), and Regulations under that act; and*
- iv. The following financial ratios included in the annual financial report are supported by verifiable information and reasonable assumptions –*
 - a. The asset consumption ratio; and*
 - b. The asset renewal funding ratio"*

This is the audit report that is published within the annual report.

As well as the audit opinion the auditor also presents an Audit and Risk management Committee Report that identifies key audit risk, including a summary of the audit procedures and adjusted/unadjusted differences. None of the adjustments identified were considered material either individually or in aggregate.

The Local Government Act requires Council to consider the matters raised in the management report, to assess whether the responses to the report are satisfactory and to forward a copy of those responses to the Local Government Department.

The details of the requirements are to be found under the "Statutory Implications/Requirements" later in this item.

COMMENTS/OPTIONS/DISCUSSIONS

Matters raised by the auditor's Audit & Risk Management Committee Report are attached with Council's response.

STATUTORY IMPLICATIONS/REQUIREMENTS

The relevant sections of the Local Government Act 1995 are:

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;
 - (b) the CEO of the local government; and
 - (c) the Minister

7.12A. Duties of local government with respect to audits

- (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 7.9 is received by the local government, whichever is the latest time.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute

OFFICER'S RECOMMENDATION

Moved: Cr Doug Stead

Seconded: Cr Gerry Parson

THAT the audit committee recommend to Council that the Audit Committee Report for the year ended 30 June 2013 be received.

10 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

**11 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY A
DECISION OF COUNCIL**

Nil

12 CONFIDENTIAL MATTERS BEHIND CLOSED DOORS

Nil

13 GENERAL BUSINESS

Nil

14 DATE OF NEXT MEETING

6th March 2014

15 CLOSURE

8:30am