



EAST PILBARA SHIRE COUNCIL

MINUTES

AUDIT COMMITTEE MEETING

NOTICE IS HEREBY GIVEN that an
Audit Committee Meeting of the Council
was held in the Meeting Room, Newman
8:00am Thursday 9th October 2014.

Allen Cooper
CHIEF EXECUTIVE OFFICER

THE HEART
OF THE
PILBARA



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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.

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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

The Meeting was declared open at 8:04am.

2 RECORD OF ATTENDANCES/APOLOGIES/LEAVE OF ABSENCE

2.1 ATTENDANCES

Cr Gerry Parsons	Chairperson
Cr Anita Grace	
Ms Sian Appleton	Deputy Chief Executive Officer
Mr Michael Giles	Manager Corporate Services

2.2 APOLOGIES

Cr Shane Carter
Cr Doug Stead

2.3 LEAVE OF ABSENCE

Nil

3 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

4 PUBLIC QUESTION TIME

5 PETITIONS/DEPUTATIONS/PRESENTATIONS

6 APPLICATIONS FOR LEAVE OF ABSENCE

7 CONFIRMATION OF MINUTES OF PREVIOUS COMMITTEE MEETING

7.1 CONFIRMATION OF MINUTES

OFFICER'S RECOMMENDATION/COMMITTEE RESOLUTION:

MOVED: Cr Anita Grace

SECONDED: Cr Gerry Parsons

THAT the minutes of the Audit Committee Meeting held at Newman on 10th July 2014, be confirmed as a true and correct record of proceedings.

8 MEMBERS' REPORTS

8.1 ITEMS FOR RECOMMENDATION

9 OFFICERS' REPORTS

9.1 DRAFT ANNUAL FINANCIAL STATEMENTS 2013/14

Attachments:	June Financial Statements
Responsible Officer:	Ms Sian Appleton Deputy Chief Executive Officer
Author:	Mr Michael Giles Manager Corporate Services
Proposed Meeting Date:	09-Oct-2014

REPORT PURPOSE

To provide the Audit Committee with a draft set of Annual Financial Statements, on the operations of Council for the Year Ended 30 June 2014, being the June 2014 Monthly Financial Report and recommend its acceptance to Council.

BACKGROUND

The attached twelve page report details the financial activities of the Council for the period 1st July 2013 to 30th June 2014.

There are 4 sections of the Draft Annual Financial 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 for individual capital items.
4. A statement of cash flows.

COMMENTS/OPTIONS/DISCUSSIONS

The Manager Corporate Services 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/COMMITTEE RESOLUTION:

MOVED: Cr Gerry Parsons

SECONDED: Cr Anita Grace

THAT the Audit Committee recommend to Council that the Draft Annual Financial Statements for the Financial Year Ended 30 June 2014 as presented be received.

9.2 REVIEW OF SYSTEMS AND PROCEDURES

Attachments:	RM Bird
Responsible Officer:	Ms Sian Appleton Deputy Chief Executive Officer
Author:	Mr Michael Giles Manager Corporate Services
Proposed Meeting Date:	09-Oct-2014

REPORT PURPOSE

To provide the Audit Committee with the results of RSM Bird Cameron's review of the Shire of East Pilbara's Risk Management, Legislative Compliance and Internal Controls, and recommends its acceptance to Council.

BACKGROUND

Subsequent to the introduction of an amendment to the Local Government (Audit) Regulations to facilitate the implementation of Risk Management, Legislative Compliance and Internal Control Frameworks, now is presented to the Committee the compulsory review of those frameworks prior to the statutory deadline of 31 December 2014. This will be the first such review which is to be conducted every two years.

COMMENTS/OPTIONS/DISCUSSIONS

RSM Bird Cameron were engaged to undertake this review and then report to senior management on the adequacy of the Shire's existing Risk Management Framework, Legislative Compliance Framework and Internal Controls, with a view to enhance the Shire's management of risks and legislative compliance and internal controls through awareness and education. The scope of the review encompassed all aspects of the Shire's operations including the following broad categories: -

- Management
- Financial
- Compliance
- Technology
- Infrastructure and Assets
- Economic/Political
- Human Resources
- Contractual
- Security

STATUTORY IMPLICATIONS/REQUIREMENTS

Local Government (Audit) Regulations

Regulation 17. CEO to review certain systems and procedures

- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*

- (a) risk management; and*
 - (b) internal control; and*
 - (c) legislative compliance.*
- (2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review at least once every 2 calendar years.*
- (3) The CEO is to report to the audit committee the results of that review.*

POLICY IMPLICATIONS

Nil

PLAN FOR FUTURE OF THE DISTRICT

Nil

FINANCIAL IMPLICATIONS

Review financed from Operational Budget provisions.

VOTING REQUIREMENTS

Simple

OFFICER'S RECOMMENDATION/COMMITTEE RESOLUTION

MOVED: Cr Gerry Parsons

SECONDED: Cr Anita Grace

THAT the Audit Committee recommends to Council the Risk Management, Legislative Compliance and Internal Controls Review be received.

- 10 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**
- 11 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY A DECISION OF COMMITTEE**
- 12 CONFIDENTIAL MATTERS BEHIND CLOSED DOORS**
- 13 GENERAL BUSINESS**

13.1 AUDIT COMMITTEE – PROXY MEMBER

Members discussed the requirement for a Proxy Member to be assigned to the Committee.

14 DATE OF NEXT MEETING

4th December 2014

15 CLOSURE

There being no further business the Meeting was declared closed at 8:20am.