



**MINUTES OF AUDIT (RISK AND FINANCE) COMMITTEE MEETING HELD  
4 DECEMBER 2012.**

**I hereby certify that the Minutes of the Audit (Risk and Finance) Committee meeting held 4 December 2012 are a true and accurate record of the proceedings contained therein.**

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***Chairperson Confirmed***

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## 1 Declaration of Opening

The meeting was declared open by the Chair at 4.00pm

## 2 Record of Attendance

Cr R Addis	Committee Chair
Cr J Moulden	Committee Member
Cr J Parker	Committee Member
Cr D Ausburn	Committee Member

Gary Gaffney	Chief Executive Officer
Gill Old	Acting Director Corporate Services
Felicity Heading	Senior Finance Officer (Rates and Reconciliations)

## 3 Declaration of Interest

- Financial  
Nil
- Members Impartially Interest  
Nil
- Proximity Interest  
Nil

## 4 Acceptance of Minutes of Previous Meeting

### 4.1 Audit (Risk and Finance) Committee Meeting Minutes 18 September 2012

#### Recommendation

That the minutes of the Audit (Risk and Finance) Committee meeting of 18 September 2012 be accepted as a true and accurate record of proceedings.

#### **Minute AC270**

**Moved: Cr J Moulden**

**Seconded: Cr J Parker**

**That the minutes of the Audit (Risk and Finance) Committee meeting of 18 September 2012 be accepted as a true and accurate record of proceedings.**

**Carried Unanimously: 4/0**

## 5 Officer's Report

### 5.1 Standing Item – Sundry Debtors

<b>DATE:</b>	4 December 2012
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	Shire of Wyndham East Kimberley
<b>AUTHOR:</b>	Asanka Jayakody, Accountant
<b>REPORTING OFFICER:</b>	Gill Old, Acting Director Corporate Services
<b>FILE NO:</b>	FM.07.2

#### **PURPOSE**

To review status of sundry debtors, including airport debtors, and sundry debts in legal process.

#### **BACKGROUND**

The listing of 90+ Day Sundry Debtors was provided at the Ordinary Council Meeting on a monthly basis until March 2009 when Council resolved that the 90+ days debtor list be removed from the Council Agenda as a standing item and be presented to the then Audit Committee for consideration and to make recommended actions to Council as this falls within the scope of the committee's purpose.

In line with the more strategic focus of the new Committee the report in April 2012 only included debtor balances at 90+days and over \$500.

To further progress this strategic focus this item has been changed to provide summary information regarding all sundry debts including airport landing fees administered by Avdata on Councils behalf. Sundry debtors in legal process have also been incorporated into this item to give a complete picture of sundry debtors.

#### **STATUTORY IMPLICATIONS**

This item in a Council Meeting needs to be discussed behind closed doors under Section 5.23. (2) (e) (iii) of the Local Government Act 1995 because the item may disclose information about the business, professional, commercial or financial affairs of a person and because the item also contained legal advice to the Council.

As the Audit (Risk and Finance) Committee has no delegated powers it does not need to open to the public and therefore the provisions of Section 5.23 are not relevant.

#### **POLICY IMPLICATIONS**

No policy implications apply in relation to this item.

#### **FINANCIAL IMPLICATIONS**

Legal fees may be incurred to recover debts or revenue written off if debt recovery is considered not economically viable.

#### **STRATEGIC IMPLICATIONS**

The costs associated with legal fees to recover debt need to be weighed up against the debt to ensure and economically viable action is being taken.

## **COMMUNITY CONSULTATION**

Community Consultation is not required in relation to this item.

## **COMMENT**

### ***Sundry Debtors (General) Summary – 30 November 2012***

Category	90 Days		60 Days		30 Days		Current		Total	
	No	\$	\$	\$	\$	\$	\$	\$	\$	
Airport	3	16,864	84,737	94,015	275,504	470,572				
Childcare	3	5,590	138	750	7,997	14,475				
Contribution/Reim	2	34,000	-	45,611	-	71,111				
Employee	3	4,698	-	316	1,731	6,580				
Grants	1	44,172	-	-	323,205	367,378				
Health	2	526	-	57	-	119				
Lesiure	2	1,236	1,209	11,746	19,386	42,077				
Other	1	14,093	126	127	-	14,345				
Waste	8	3,434	4,432	33,054	55,863	96,153				
<b>Grand Total</b>	<b>25</b>	<b>124,614</b>	<b>90,642</b>	<b>185,562</b>	<b>683,687</b>	<b>1,082,810</b>				

Note: The information in the above table is from Council Debtors System, the revenue is recognised when the debtor is raised.

### ***Sundry Debtors (Airport Landing Fees) Summary – 30 October 2012***

Categories	90 Days		60 Days		30 Days		Current		Total	
	No	\$	\$	\$	\$	\$	\$	\$		
Kununurra Airport	30	98,380	35,025	163,772	152,325	449,502				
Wyndham Airport	2	6,891	38	5,677	3,729	16,335				
<b>Total</b>		<b>105,271</b>	<b>35,063</b>	<b>169,449</b>	<b>156,054</b>	<b>465,837</b>				

Note: The information in the above table is provided by Avdata. Airport Landing Fees are not detailed in any Council Systems, they are invoiced and collected on Councils behalf by Avdata. The revenue is recognised when the cash is deposited in Councils bank account.

## **ATTACHMENTS**

Sundry Debtors detailed report as at 30 November 2012  
(Confidential attachment provided under separate cover)

## **VOTING REQUIREMENT**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That the Audit (Risk and Finance) Committee reports to Council that the actions being undertaken by the administration in regard to sundry debtors including sundry debts in legal process are sufficient and appropriate and no further actions are recommended at this time.

## **COMMITTEE RESOLUTION**

**Minute AC271**

**Moved: Cr J Moulden**

**Seconded: Cr J Parker**

**That the Audit (Risk and Finance) Committee reports to Council that the actions being undertaken by the administration in regard to sundry debtors including sundry debts in legal process are sufficient and appropriate and no further actions are recommended at this time.**

**Carried Unanimously: 4/0**

## **COMMITTEE RECOMMENDATION 1**

**That the Audit (Risk and Finance) Committee reports to Council that the actions being undertaken by the administration in regard to sundry debtors including sundry debts in legal process are sufficient and appropriate and no further actions are recommended at this time.**

## 5.2 Standing Item – Rates Debtors

<b>DATE:</b>	4 December 2012
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	Shire of Wyndham East Kimberley
<b>AUTHOR:</b>	Felicity Heading, Senior Finance Officer
<b>REPORTING OFFICER:</b>	Gill Old, Acting Director Corporate Services
<b>FILE NO:</b>	FM.11.1

### **PURPOSE**

To review status of rates debtors and rates debts in legal process.

### **BACKGROUND**

At the Ordinary Council Meeting, 16 October 2007, Council moved the following resolution:

*Minute No. 7936*

*That Council direct the CEO to provide a written report to Council under confidential cover each month in regard to all debts currently in legal process.*

*Carried Unanimously 5/0*

At the Ordinary Council Meeting, 18 March 2008, Council moved the following:

*Minute No: 8148*

*Moved: Cr J Parker*

*Seconded: Cr F Mills*

*That Council:*

- 1. note the confidential report provided to it in relation to debts owed to Council and under legal action.*
- 2. direct the Executive Manager Corporate Services to provide a written report to the Audit Committee under confidential cover at each Audit Committee meeting in regard to all debts currently in legal process.*
- 3. request the Audit Committee to make recommendations to Council as required and appropriate in relation to the report provided under confidential cover regarding debts currently in legal process.*
- 4. resolve that this requirement replaces the previous requirement on the CEO to report information to Council.*

*Carried Unanimously 8/0*

This requirement is now fulfilled by a combination of this report and item 5.1 Standing Item – Sundry Debtors.

Outstanding Rates Debtors over three years report has also been incorporated into the confidential attachment to this item to give a complete picture of rates debtors.

### **STATUTORY IMPLICATIONS**

This item in a Council Meeting needs to be discussed behind closed doors under Section 5.23. (2) (e) (iii) of the Local Government Act 1995 because the item may

disclose information about the business, professional, commercial or financial affairs of a person and because the item also contained legal advice to the Council.

As the Audit (Risk and Finance) Committee has no delegated powers it does not need to open to the public and therefore the provisions of Section 5.23 are not relevant.

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### **POLICY IMPLICATIONS**

No policy implications apply in relation to this item.

### **FINANCIAL IMPLICATIONS**

Legal fees may be incurred to recover debts or revenue written off if debt recovery is considered not economically viable.

### **STRATEGIC IMPLICATIONS**

The costs associated with legal fees to recover debt need to be weighed up against the debt to ensure and economically viable action is being taken.

### **COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

### **COMMENT**

#### ***Rates and Services Debtors Summary***

<b>Rates &amp; Services Levied 2012/2013 (including arrears)</b>	<b>Rates &amp; Services Debt at 29 November 2012</b>	<b>Overdue at 29 November 2012</b>
\$ 9,711,866	\$2,240,542	\$1,136,172

Rates for the financial year of 2012/2013 were raised and issued on 21 August 2012.

Interim rating occurs periodically throughout the year.

### **ATTACHMENTS**

Rates Debtors - Detailed Report  
(Confidential Attachment provided under separate cover)

### **VOTING REQUIREMENT**

Simple Majority

### **OFFICER'S RECOMMENDATION**

That the Audit (Risk and Finance) Committee reports to Council that the actions being undertaken by the administration in regard to rates debtors including rates debts in legal process are sufficient and appropriate and no further actions are recommended at this time.

## **COMMITTEE RESOLUTION**

**Minute AC272**

**Moved: Cr J Moulden**

**Seconded: Cr D Ausburn**

**That the Audit (Risk and Finance) Committee reports to Council that the actions being undertaken by the administration in regard to rates debtors including rates debts in legal process are sufficient and appropriate and no further actions are recommended at this time.**

**Carried Unanimously: 4/0**

## **COMMITTEE RECOMMENDATION 2**

**That the Audit (Risk and Finance) Committee reports to Council that the actions being undertaken by the administration in regard to rates debtors including rates debts in legal process are sufficient and appropriate and no further actions are recommended at this time.**

### 5.3 Request for Write Off of Rates and Penalties A1089 and A2157

<b>DATE:</b>	4 December 2012
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	Shire of Wyndham East Kimberley
<b>AUTHOR:</b>	Felicity Heading, Senior Finance Officer
<b>REPORTING OFFICER:</b>	Gill Old, Acting Director Corporate Services
<b>FILE NO:</b>	FM.11.17
<b>ASSESSMENT NO:</b>	A1089, A2157

#### **PURPOSE**

For the Audit (Risk and Finance) Committee to consider a request to write off rates arrears and penalties on Assessments A1089 and A2157.

#### **BACKGROUND**

Annual rates notices for the 2011/2012 financial year were issued and posted on 1 August 2011 with a due date of 5 September 2011 and a discount due date of 15 August 2011. Final notices were issued on 16 September for rates not paid by the due date.

On 21 September the Rates Officer received a telephone call from the owner and ratepayer of assessments A1006, A1089 and A2157 advising that they had received final notices for these assessments but had not received the annual rates notices. The ratepayer was advised that the annual rates notices had been delivered to Australia Post on 1 August for delivery to the postal address recorded against the assessments. The ratepayer advised that they wished to object as they believed they had not been given the opportunity to receive the discount and would have paid by the discount due date if they had received the notices in time as their payment record indicated that they had always paid by the discount due date in the past. The ratepayer was advised that they could write to the CEO with an objection and that the outstanding rates should be paid in full pending the outcome to the objection.

The ratepayer made payment of the discounted amounts on 22 and 23 September 2011 and advised the Rates Officer by email that this was all they were going to pay.

As part of rates debt collection process following the final instalment due date, final notices were issued on 23 March 2012 for all rates assessments with amounts outstanding. At this time final notices were issued for Assessment A1089 for \$190.12 and Assessment A2157 for \$274.85.

In a letter dated 4 April 2012 the ratepayer requested that Council consider writing off the rates penalties to a total value of \$464.97 on assessments A1089 and A2157 on the basis that the 2011/12 rates notices were not received and that they were not given the opportunity to pay the rates by the discount due date and receive the early payment discount.

On August 21 2012 annual rates notices were issued for the 2012/2013 financial year. The ratepayer has paid all rates for 2012/2013 including the arrears by the discount due date and has received the discount for 2012/2013.

## **STATUTORY IMPLICATIONS**

### **Relevant legislation: Local Government Act 1995 Section 6.47**

#### **“Concessions**

Subject to the *Rates and Charges (Rebates and Deferments) Act 1992*, a local government may at the time of imposing a rate or service charge or at a later date resolve to waive\* a rate or service charge or resolve to grant other concessions in relation to a rate or service charge.

*\* absolute majority required*

### **Section 6.12. Power to defer, grant discounts, waive or write off debts**

“(1) Subject to subsection (2) and any other written law, a local government may —  
(a) when adopting the annual budget, grant\* a discount or other incentive for the early payment of any amount of money;  
(b) waive or grant concessions in relation to any amount of money; or  
(c) write off any amount of money, which is owed to the local government.

*\* Absolute majority required.*

(2) Subsection (1)(a) and (b) do not apply to an amount of money owing in respect of rates and service charges.

(3) The grant of a concession under subsection (1)(b) may be subject to any conditions determined by the local government.

(4) Regulations may prescribe circumstances in which a local government is not to exercise a power under subsection (1) or regulate the exercise of that power.”

### **Section 6.81 Objection not to affect liability to pay rates or service charges**

The making of an objection under this Subdivision does not affect the liability to pay any rate or service charge imposed under this Act pending determination of the objection.

### **Section 6.41. Service of rate notice**

(3) Notwithstanding sections 75 and 76 of the *Interpretation Act 1984* service of the rate notice is deemed to have been effected if delivered to the address shown in the rate record for the owner at the time of delivery.

## **Interpretation act 1984**

### **Section 75. Service of documents by post**

(1) Where a written law authorises or requires a document to be served by post, whether the word “serve” or any of the words “give”, “deliver”, or “send” or any other similar word or expression is used, service shall be deemed to be effected by properly addressing and posting (by pre-paid post) the document as a letter to the last known address of the person to be served, and, unless the contrary is proved, to have been effected at the time when the letter would have been delivered in the ordinary course of post.

### **76. Service of documents generally**

Where a written law authorises or requires a document to be served, whether the word “serve” or any of the words “give”, “deliver”, or “send” or any other similar word

or expression is used, without directing it to be served in a particular manner, service of that document may be effected on the person to be served —

(a) by delivering the document to him personally; or

(b) by post in accordance with section 75(1); or

(c) by leaving it for him at his usual or last known place of abode, or if he is a principal of a business, at his usual or last known place of business; or

(d) in the case of a corporation or of an association of persons (whether incorporated or not), by delivering or leaving the document or posting it as a letter, addressed in each case to the corporation or association, at its principal place of business or principal office in the State.

### **POLICY IMPLICATIONS**

#### **Relevant Policy**

**Council Policy Number: CP/FIN-3200 Strategic rating Policy**

### **FINANCIAL IMPLICATIONS**

Should Council approve the request to write off the rates penalties a total amount of \$464.97 in penalty interest would be written off.

### **STRATEGIC IMPLICATIONS**

There are no strategic implications associated with this report.

### **COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

### **COMMENT**

Annual rates notices for the 2011/2012 financial year were issued and delivered to Australia Post on 1 August 2011. Council's rates and postal receipt records indicate that all rate notices were posted at this time and there is no evidence to indicate that the rates notices for assessments A1089 and A2157 were not posted. Public notices were also posted in the Kimberley Echo, on the Shire website and Facebook pages advising that notices had been issued and for ratepayers to contact the Shire if they had not received their rates notice.

Although the ratepayer has an excellent payment history with all rates being paid before the discount date for at least the past six years, if a write off of penalties on these assessments is allowed this would allow other ratepayers who did not pay by the discount date to claim that they were entitled to the discount and to a write off of any penalties accrued as a result of late payment of the discounted amount.

### **ATTACHMENTS**

Nil

### **VOTING REQUIREMENT**

Absolute Majority

### **OFFICER'S RECOMMENDATION**

That the Audit (Risk and Finance) Committee recommends to Council to refuse the request to write off rates and penalties on Assessments A1089 and A2157 and advise the ratepayer of Council's decision in writing whilst acknowledging their good payment record.

### **COMMITTEE RESOLUTION**

**Minute AC273**

**Moved: Cr D Ausburn**

**Seconded: Cr J Moulden**

**That the Audit (Risk and Finance) Committee recommends to Council to refuse the request to write off rates and penalties on Assessments A1089 and A2157 and advise the ratepayer of Council's decision in writing whilst acknowledging their good payment record.**

**Carried Unanimously: 4/0**

### **COMMITTEE RECOMMENDATION 3**

**That the Audit (Risk and Finance) Committee recommends to Council to refuse the request to write off rates and penalties on Assessments A1089 and A2157 and advise the ratepayer of Council's decision in writing whilst acknowledging their good payment record.**

## 5.4 Auditors Report 2011-2012

<b>DATE:</b>	4 December 2012
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	Shire of Wyndham East Kimberley
<b>AUTHOR:</b>	Gill Old, Acting Director Corporate Services
<b>REPORTING OFFICER:</b>	Gill Old, Acting Director Corporate Services
<b>FILE NO:</b>	FM.09.9

### **PURPOSE**

To review the Independent Audit Report and management Report for the year ended 30 June 2012 issued by the Council Auditors UHY Haines Norton.

### **BACKGROUND**

UHY Haines Norton, Councils appointed auditors conducted the annual audit for 2011-2012. The result of this audit is an Independent Audit report and a Management Report. The Management Report is an internal document to Council and the Independent Audit Report is published within the Annual Report.

The role of the Audit (Risk and Finance) Committee is to examine and consider the results of the annual audit as well as the management responses to any issues raised by Auditors.

### **STATUTORY IMPLICATIONS**

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;
  - (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;
  - (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.

#### **POLICY IMPLICATIONS**

No policy implications apply in relation to this item.

#### **FINANCIAL IMPLICATIONS**

No financial implications apply in relation to this item.

#### **STRATEGIC IMPLICATIONS**

Accountability and transparency of the Shire's accounting functions. The Audit (Risk and Finance) Committee fulfilling the functions and responsibilities of the Committee.

#### **COMMUNITY CONSULTATION**

Community consultation is not required in relation to this item.

#### **COMMENT**

##### **Independent Audit Report**

##### ***Auditors Opinion***

An unqualified opinion was given on the financial report.

##### ***Other Matters***

No adverse trends in financial position or financial management practices were noted.

An issue of non-compliance with Local Government (Financial Management) Regulations 1996 (as amended) was noted:

The budget review for 2011/2012 was not submitted to the Department of Local within 30 days from the date of adoption Government.

Management Response

Documentation has been provided to the Department retrospectively. Compliance with this requirement is reported in the compliance calendar presented to the Audit (Risk and Finance) Committee in the confidential attachments.

**Management Report**

***Delegation Register***

Management Response

Requirement for review was raised as a reminder at the Interim Audit in April 2012.

Part A will be presented to Council at Ordinary Council Meeting 11<sup>th</sup> December 2012.

Part B will be presented to the Audit (Risk and Finance) Committee for review and comment by March 2013.

***Long Service Leave Entitlements***

Management Response

Management will prepare an Administrative Policy and refer it to the Audit (Risk and Finance) Committee for review and comment by February 2013.

***Outstanding Rates Ratio***

Management Response

Issue was also raised in Management Report for year ended 30 June 2011.

There are a number of rates debtors that are causing this ratio to increase over time, and are problematic in that they relate to land holdings where the normal rate collection procedures are not effective.

The issue continues to be monitored by the Audit (Risk and Finance) Committee in a confidential report provided to the committee at each meeting detailing the individual rates debtors in this category and how they are being addressed.

***Uncorrected misstatements***

Nil.

**ATTACHMENTS**

1. Independent Audit Report to the Electors of the Shire of Wyndham East Kimberley
2. Management Report for the Year Ended 30 June 2012. (Provided under confidential cover).

## **VOTING REQUIREMENT**

Simple Majority

## **OFFICER'S RECOMMENDATION**

That the Audit (Risk and Finance) Committee:

1. Receives the Independent Audit report to the Electors of the Shire of Wyndham East Kimberley
2. Receives the Management Report for the Year Ended 30 June 2012.
3. Notes the management response to audit issues and corrective actions being proposed by management.
4. Recommends to Council to receive the Independent Audit Report to the Electors of the Shire of Wyndham East Kimberley.
5. Recommends to Council to receive the Management Report for the year ended 30 June 2012.
6. Recommends to Council:
  - That a report on the status of actions taken in relation to the results of Audit for the Year Ended 30 June 2012 is included in the Audit (Risk and Finance) Committee Agenda as a standing item until all issues are resolved.
  - That the actions in relation to the results of Audit for the Year Ended 30 June 2012 are reported to the Minister following the May 2013 Audit (Risk and Finance) Committee meeting.

## **COMMITTEE RESOLUTION**

**Minute AC274**

**Moved: Cr J Moulden**

**Seconded: Cr D Ausburn**

**That the Audit (Risk and Finance) Committee:**

- 1. Receives the Independent Audit report to the Electors of the Shire of Wyndham East Kimberley**
- 2. Receives the Management Report for the Year Ended 30 June 2012.**
- 3. Notes the management response to audit issues and corrective actions being proposed by management.**
- 4. Recommends to Council to receive the Independent Audit Report to the Electors of the Shire of Wyndham East Kimberley.**

5. Recommends to Council to receive the Management Report for the year ended 30 June 2012.

6. Recommends to Council:

- That a report on the status of actions taken in relation to the results of Audit for the Year Ended 30 June 2012 is included in the Audit (Risk and Finance) Committee Agenda as a standing item until all issues are resolved.
- That the actions in relation to the results of Audit for the Year Ended 30 June 2012 are reported to the Minister following the May 2013 Audit (Risk and Finance) Committee meeting.

Carried Unanimously: 4/0

#### **COMMITTEE RECOMMENDATION 4**

That the Audit (Risk and Finance) Committee:

1. Recommends to Council to receive the Independent Audit Report to the Electors of the Shire of Wyndham East Kimberley.

2. Recommends to Council to receive the Management Report for the year ended 30 June 2012.

3. Recommends to Council:

- That a report on the status of actions taken in relation to the results of Audit for the Year Ended 30 June 2012 is included in the Audit (Risk and Finance) Committee Agenda as a standing item until all issues are resolved.
- That the actions in relation to the results of Audit for the Year Ended 30 June 2012 are reported to the Minister following the May 2013 Audit (Risk and Finance) Committee meeting.

**INDEPENDENT AUDITOR'S REPORT  
TO THE ELECTORS OF THE SHIRE OF WYNDHAM – EAST KIMBERLEY**

***Report on the Financial Report***

We have audited the accompanying financial report of the Shire of Wyndham – East Kimberley, which comprises the statement of financial position as at 30 June 2012, statement of comprehensive income by nature or type, statement of comprehensive income by program, statement of changes in equity, statement of cash flows and the rate setting statement for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information and the statement by Chief Executive Officer.

***Management's Responsibility for the Financial Report***

Management is responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal control as management determines is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

***Auditor's Responsibility***

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 Shire's preparation of the financial report that gives a true and fair view 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 Shire's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by Council, as well as evaluating the overall presentation of the financial report.

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

***Auditor's Opinion***

In our opinion, the financial report of the Shire of Wyndham – East Kimberley is in accordance with the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended), including:

- a. giving a true and fair view of the Shire's financial position as at 30 June 2012 and of its performance for the year ended on that date; and
- b. complying with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

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**INDEPENDENT AUDITOR'S REPORT  
TO THE ELECTORS OF THE SHIRE OF WYNDHAM – EAST KIMBERLEY (Continued)**

**Report on Other Legal and Regulatory Requirements**

During the course of the audit we became aware of the following instances where the Council did not comply with the Local Government (Financial Management) Regulations 1996 (as amended).

**Budget Review**

The budget review for the year ended 30 June 2012 was not submitted to the Department of Local Government within 30 days from the date of adaptation by the Council as required by Financial Management Regulation 33(A).

In accordance with the Local Government (Audit) Regulations 1996, we also report that:

- a) There are no matters that in our opinion indicate significant adverse trends in the financial position or the financial management practices of the Shire.
- b) Except as noted above, no matters indicating non-compliance with Part 6 of the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) or applicable financial controls of any other written law were noted during the course of our audit.
- c) All necessary information and explanations were obtained by us.
- d) All audit procedures were satisfactorily completed in conducting our audit.

UHY HAINES NORTON  
CHARTERED ACCOUNTANTS



DAVID TOMASI  
PARTNER

Date: 3 December 2012  
Perth, WA

## **6 Project Updates**

This item is to provide information to the Audit (Risk and Finance) Committee on

- ongoing projects not subject to officers reports
- items that do not require a Council decision

A confidential attachment has been provided under separate cover.

## **7 Requests for Officers Reports**

This section is included in the agenda in place of General Business to improve the meeting process and to enable the Audit (Risk and Finance) Committee to make informed decisions based on adequate research and an officer recommendation. Even though this item exists committee members can request officer reports at any time (giving suitable preparation time prior to the agenda deadline).

## **8 Date of Next Meeting**

The schedule of meetings for the committee has not yet been set. The date of the next meeting needs to be set for planning purposes, re timing of agenda items and including the date in committee member's diaries. It is intended the next meeting to occur in January 2013 to coincide with a visit from Alchemy Corporate Consulting Services, the date of which is yet to be confirmed.

## **9 Closure of Meeting**

With the business of the meeting concluded the Chair thanked those in attendance and closed the meeting at 4.35pm