



MINUTES OF AUDIT COMMITTEE MEETING HELD 16 NOVEMBER 2010.

I hereby certify that the Minutes of the Audit Committee meeting held 16 November 2010 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 Chair opened the meeting 4.41pm

## 2 Record of Attendance

Cr K Wright	Committee Chair
Cr D Ausburn	Committee Member
Cr F Mills	Committee Member
Cr J Parker	Committee Member
Gary Gaffney	Chief Executive Officer
Jo-Anne Ellis	Director Corporate Services
Gill Old	Manager Financial Services

## 3 Declaration of Interest

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

## 4 Acceptance of Minutes of Previous Meeting

### 4.1 Audit Committee Meeting Minutes 14 September 2010

#### Recommendation

That the minutes of the Audit Committee meeting of the 14 September 2010 be accepted as a true and accurate record of proceedings.

#### **COMMITTEE RESOLUTION**

##### **Minute AC222**

**Moved: Cr D Ausburn**

**Seconded: Cr F Mills**

**That the minutes of the Audit Committee meeting of the 14 September 2010 be accepted as a true and accurate record of proceedings.**

**Carried Unanimously: 4/0**

## 5 Officer's Report

### 5.1 Standing Item - 90 Day Aged Debtors Listing

<b>DATE:</b>	16 November 2010
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	Shire of Wyndham East Kimberley
<b>AUTHOR:</b>	Sandy Griffiths, Finance Officer
<b>REPORTING OFFICER:</b>	Jo-Anne Ellis, Director Corporate Services
<b>FILE NO:</b>	60.14.03
<b>ASSESSMENT NO:</b>	N/A

#### **PURPOSE**

To present the listing of Aged Debtors with balances outstanding for 90 days or longer.

#### **BACKGROUND**

The listing of 90 Day Sundry Debtors has traditionally been provided at the Ordinary Council Meeting on a monthly basis. At the 21 February 2008 Audit Committee Meeting the Committee resolved to recommend to Council that the Audit Committee be presented with the item as this falls within the scope of the committee's purpose.

The following recommendation was adopted by Council at Ordinary Meeting on 18 March 2008:

*Minute No: 8102*

*Moved: Cr K Wright*

*Seconded: Cr Paul Caley*

*That Council:*

- 1. That the 90 days debtor list be removed from the Council Agenda as a standing item and be presented to the Audit Committee for consideration and to make recommended actions to Council.*

*Carried Absolute Majority 8/0*

#### **STATUTORY IMPLICATIONS**

No statutory implications apply in relation to this item.

#### **POLICY IMPLICATIONS**

No policy implications apply in relation to this item.

#### **FINANCIAL IMPLICATIONS**

Ongoing management of Council funds.

#### **STRATEGIC IMPLICATIONS**

Key Result Area 5 – Governance

## **COMMUNITY CONSULTATION**

Community Consultation is not required in relation to this item.

## **COMMENT**

The listing of 90 Day Sundry Debtors is presented to the Audit Committee as per Council resolution.

Due to some technical problems the issuing of statements has been delayed. This is considered to be the cause of some accounts being out of order. These are expected to be rectified over the next month.

## **ATTACHMENTS**

Sundry Debtors as at 4 November 2010  
Sundry Debtors as at 4 November 2010 including debtor names  
(Confidential Attachment provided under separate cover)

## **VOTING REQUIREMENT**

Simple Majority

## **RECOMMENDATION**

That the Audit Committee

1. receives and accepts the listing of 90 Day Sundry Debtors as at 4 November 2010 totalling \$795,830.11 (GST inclusive); and
2. reports to Council that the actions being undertaken by the administration in regard to 90 Day Sundry Debtors are sufficient and appropriate and no further actions are recommended at this time.

## **COMMITTEE RESOLUTION**

**Minute AC223**

**Moved: Cr J Parker**

**Seconded: Cr D Ausburn**

**That the Audit Committee**

1. receives and accepts the listing of 90 Day Sundry Debtors as at 4 November 2010 totalling \$795,830.11 (GST inclusive); and
2. reports to Council that the actions being undertaken by the administration in regard to 90 Day Sundry Debtors are sufficient and appropriate and no further actions are recommended at this time.

**Carried Unanimously: 4/0**

## **COMMITTEE RECOMMENDATION 1**

**That Council acknowledges that the Audit Committee has reviewed the listing of 90 Day Sundry Debtors and reports to Council that the actions being undertaken by the administration in regard to 90 Day Sundry Debtors are sufficient and appropriate and no further actions are recommended at this time**

### Attachment 1 - Sundry Debtors as of 4 November 2010

Debtor	90 Days	4 November 2010	Debt Collection Status for Debts over 90 Days
108	\$168.50	\$168.50	Reminder copies of invoices sent
114	\$21.00	\$21.00	Reminder copies of invoices sent
126	\$0.20	\$0.20	Interest charges – notified via statement at EOM
132	\$610.23	\$610.23	Final notice sent
146	\$6,485.66	\$6,485.66	Reminder letter sent
166	\$200,000.00	\$200,000.00	EKDP funding, to be paid on receipt of final documentation.
184	\$0.45	\$0.45	Interest charges – notified via statement at EOM
193	\$0.06	\$0.06	Interest charges – notified via statement at EOM
196	\$0.31	\$0.31	Interest charges – notified via statement at EOM
204	\$25.25	\$51.05	Customer advised will pay next week
228	\$94.50	\$1,458.50	Phone message left to return call.
274	\$2,066.31	\$2,066.31	Attempting to locate debtor.
3047	\$1,100.00	\$1,100.00	On leave, payment pending.
3104	\$0.26	\$55.26	Interest charges – notified via statement at EOM
3257	\$34.02	\$15,579.02	Interest charges – notified via statement at EOM
37	\$10.50	\$10.50	Paying 10/11/10
56	\$97.07	\$97.07	Unable to locate – debt from 2009. CEO to consider write off under policy delegation.
58	\$429.15	\$475.95	Customer to be contacted.
66	\$495,000.00	\$495,000.00	Letter confirming conditions met being sent to enable funding to be released
80129	\$512.19	\$168,471.24	Interest charges – notified via statement at EOM
80155	\$2,225.80	\$2,225.80	Phone message left to return call
80165	\$16,380.55	\$16,380.55	Paying \$125.00 week as per agreement
80258	\$4,245.11	\$4,723.61	Customer is querying invoices with KLC
80289	\$111.80	\$111.80	Account to be reconciled to establish correct position
80625	\$1.61	\$23.61	Interest charges – notified via statement at EOM
80737	\$209.05	\$209.05	Attempting to locate customer
81	\$0.23	\$0.23	Interest charges – notified via statement at EOM
81239	\$0.06	\$121.06	Interest charges – notified via statement at EOM
81353	\$19.80	\$197.40	Phone message left to return call
81448	\$98.31	\$98.31	Administrators appointed
81449	\$0.67	\$297.67	Interest charges – notified via statement at EOM
81452	\$11.49	\$418.49	Interest charges – notified via statement at EOM
81900	\$0.50	\$0.50	Interest charges – notified via statement at EOM
81974	\$25,000.00	\$25,673.98	Invoice queried, being investigated.
82	\$0.20	\$0.20	Interest charges – notified via statement at EOM
82043	\$2.06	\$2.06	Interest charges – notified via statement at EOM
82069	\$73.63	\$95.63	Invoice queried being investigated
82072	\$200.00	\$200.00	Customer advised will pay next week
82142	\$73.83	\$139.83	Reminder copies of invoices sent
82551	\$506.45	\$623.05	Payment arrangement, final payment due end November
82571	\$93.40	\$115.40	Left message to call back
82573	\$0.54	\$0.54	Interest charges – notified via statement at EOM
82580	\$42.16	\$42.16	Customer advised will pay next week
82601	\$10.50	\$98.50	Reminder copies of invoices sent
82654	\$52.50	\$602.50	Reminder copies of invoices sent
82714	\$1,895.70	\$1,895.70	Customer advised will pay next week
82721	\$147.28	\$257.28	Error with invoice, amended and re-issued
82772	\$130.00	\$130.00	Customer to be contacted.
82899	\$4,167.31	\$325,456.81	Interest charges – notified via statement at EOM
82909	\$4.64	\$4.64	Interest charges – notified via statement at EOM
82915	\$0.05	\$0.05	Interest charges – notified via statement at EOM
82931	\$928.45	\$928.45	Reminder copies of invoices sent
82935	\$575.87	\$1,334.87	Customer to be contacted
82936	\$1,376.01	\$2,014.01	Customer advised has paid today
82937	\$0.01	\$108.01	Interest charges – notified via statement at EOM

Debtor	90 Days	4 November 2010	Debt Collection Status for Debts over 90 Days
82942	\$993.95	\$993.95	Customer querying charges, being investigated
82943	\$42.16	\$64.16	Customer advised has paid today
82949	\$6,362.32	\$9,596.82	Reminder copies of invoices sent
82966	\$10.50	\$10.50	Reminder copies of invoices sent
82970	\$42.00	\$42.00	Customer advise will pay next week
83024	\$21.00	\$87.00	Customer to be contacted
86096	\$425.00	\$425.00	Customer advised will pay today
86101	\$21.00	\$21.00	Reminder copies of invoices sent
86111	\$42.40	\$185.40	Customer to be contacted
86140	\$0.71	\$0.71	Interest charges – notified via statement at EOM
86160	\$0.20	\$0.20	Interest charges – notified via statement at EOM
86188	\$126.00	\$401.00	Reminder copies of invoices sent
86193	\$0.44	\$0.44	Interest charges – notified via statement at EOM
94	\$0.02	\$198.02	Interest charges – notified via statement at EOM
96184	\$2.25	\$44.25	Interest charges – notified via statement at EOM
96204	\$0.71	\$0.71	Interest charges – notified via statement at EOM
96273	\$1.15	\$1,783.15	Interest charges – notified via statement at EOM
96274	\$0.06	\$0.06	Interest charges – notified via statement at EOM
96301	\$0.60	\$0.60	Interest charges – notified via statement at EOM
96304	\$0.38	\$110.38	Interest charges – notified via statement at EOM
96351	\$32.83	\$32.83	Customer to be contacted
96352	\$3,829.20	\$3,829.20	Payment arrangement.
96367	\$0.27	\$0.27	Interest charges – notified via statement at EOM
96370	\$63.12	\$63.12	Reminder copies of invoices sent
96375	\$9.66	\$427.66	Interest charges – notified via statement at EOM
96408	\$12.50	\$34.50	Customer to be contacted
96431	\$21.00	\$32.00	Reminder copies of invoices sent
96468	\$21.51	\$21.51	Customer to be contacted
96477	\$4,480.20	\$4,611.53	Customer advised will pay next week
96479	\$13.60	\$13.60	Interest charges – notified via statement at EOM
96481	\$1,446.75	\$1,446.75	Customer to be contacted
96484	\$0.51	\$8,884.87	Interest charges – notified via statement at EOM
96800	\$111.80	\$170.30	Customer to be contacted
96870	\$1.00	\$1.00	Interest charges – notified via statement at EOM
98103	\$0.10	\$0.10	Interest charges – notified via statement at EOM
98107	\$127.34	\$127.34	Customer to be contacted
98110	\$42.91	\$42.91	Reminder copies of invoices sent
98151	\$189.33	\$409.33	Customer to be contacted
98405	\$840.00	\$840.00	Reminder copies of invoices sent
98562	\$0.18	\$0.18	Interest charges – notified via statement at EOM
98563	\$11,252.22	\$11,252.22	Refer Agenda Item Debt Under Legal Action
	<b>\$795,830.11</b>	<b>\$1,322,389.63</b>	

## 5.2 Standing Item - Debts Currently in Legal Process

<b>DATE:</b>	16 November 2010
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	Shire of Wyndham East Kimberley
<b>AUTHOR:</b>	Lisha Qin, Rates Officer
<b>REPORTING OFFICER:</b>	Jo-Anne Ellis, Director Corporate Services
<b>FILE NO:</b>	61.23.02 / 61.22.14

### **PURPOSE**

To the Audit Committee with an update regarding debts currently 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 report is therefore presented.

### **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 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**

The listing of Debtors currently in legal process is presented to the Audit Committee as per Council resolution.

## **ATTACHMENTS**

Sundry Debtors under legal action as at 4 November 2010.  
(Confidential Attachment provided under separate cover)  
Rates Debtors under legal action as at 3 November 2010  
(Confidential Attachment provided under separate cover)

## **VOTING REQUIREMENT**

Simple Majority

## **RECOMMENDATION**

That the Audit Committee

1. notes the confidential report provided to it in relation to debts owed to Council and under legal action; and
2. reports to Council that the actions being undertaken by the administration in regard to debts under legal action are appropriate and sufficient and that no additional actions are recommended in relation to these debts at this time.

## **COMMITTEE RESOLUTION**

**Minute AC224**

**Moved: Cr D Ausburn**

**Seconded: Cr J Parker**

**That the Audit Committee**

1. notes the confidential report provided to it in relation to debts owed to Council and under legal action; and
2. reports to Council that the actions being undertaken by the administration in regard to debts under legal action are appropriate and sufficient and that no additional actions are recommended in relation to these debts at this time.

**Carried Unanimously: 4/0**

## **COMMITTEE RECOMMENDATION 2**

**That Council acknowledges that the actions being undertaken by the administration in regard to debts under legal action are appropriate and sufficient and that no additional actions are recommended in relation to these debts at this time.**

### 5.3 Auditors Report 2009-10.

<b>DATE:</b>	16 November 2010
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	Shire of Wyndham East Kimberley
<b>AUTHOR:</b>	Jo-Anne Ellis, Director Corporate Services
<b>REPORTING OFFICER:</b>	Jo-Anne Ellis, Director Corporate Services
<b>FILE NO:</b>	61.34.01

#### **PURPOSE**

To review the Independent Audit Report and Management Report for the Year Ended 30 June 2010 issued by the Council Auditors UHY Haines Norton.

#### **BACKGROUND**

UHY Haines Norton, Councils appointed auditors conducted the annual audit for 2009-10. 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 with the Annual Report.

The role of the audit Committee is to examine and consider the results of the annual audit as well as the management response 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 Committee fulfilling the functions and responsibilities of the Committee.

#### **COMMENT**

##### Independent Audit Report

##### *Auditor's Opinion*

An unqualified opinion was given on the financial report.

##### *Other Matters*

No adverse trends in financial position or financial management practices were noted.  
No issues of Statutory Compliance were raised.

### Management Report

Other matters arising during course of audit not required to be included in the Audit Report.

### *Annual and Primary Returns of Councilors and Staff.*

### Management Response

This item was raised in the Financial Management Review conducted in May 2010 (also by UHY Haines Norton). The report presented in June 2010 to Council details corrective actions which have substantially been achieved. The Audit Committee receives a progress report on the status of the corrective actions in relation to this review.

Since the review in May 2010, which looked at returns lodged in August 2009, another annual return was required to be lodged in August 2010. Significant improvements in the administration of these returns has been achieved. These improvements need to be sustained over time however no further corrective actions are recommended at this time.

### *Signed Minutes Not Available.*

### Management Response

This item was raised in the Financial Management Review conducted in May 2010 (also by UHY Haines Norton). A full review of all minutes has been conducted to ensure a complete record of signed minutes is sent off for binding. Improvements in the process of signing and storing minutes have been made. No further corrective actions are recommended at this time.

### *Demolition Costs Capitalised.*

### Management Response

The opinion of the auditor is noted in this regard. The cost was considered to be a cost of acquisition of the land as the land purchase price was discounted by the cost of demolition. No corrective actions are recommended at this time.

### *Slow Payments by Airline Debtors.*

### Management Response

The Audit Committee and Management are aware of this issue and Management have had numerous discussions with one airline in particular re trading terms. An interest policy on outstanding debtors balances was introduced in an attempt to encourage payment within terms.

### Corrective Actions.

A report detailing the payment patterns of the two major airline debtors be presented to the Audit Committee for consideration and recommendation of actions to be taken, including the role of the Airport Committee in this matter.

### *Corrected and Uncorrected Misstatements.*

### Management Response

One journal was suggested by the auditor which was agreed by management therefore it is a corrected misstatement. This related to a significant transaction of \$11Million net being funds held on behalf of the Kimberley Zone. The funds were transferred to Trust. No corrective actions are recommended at this time.

## **ATTACHMENTS**

1. Independent Audit Report to the Electors of the Shire of Wyndham-East Kimberley.
2. Management Report for the Year Ended 30 June 2010  
(Confidential Attachment provided under separate cover)

## **VOTING REQUIREMENT**

Simple Majority

## **RECOMMENDATION**

The Audit Committee

1. Receives the Independent Audit Report to the Electors of the Shire of Wyndham East Kimberley.
2. Receives and the Management Report for the Year Ended 30 June 2010
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 the Electors of the Shire of Wyndham East Kimberley.
5. Recommends to Council to receive Management Report for the Year Ended 30 June 2010
6. Recommends to Council the following actions be taken in relation to the results of Audit for the Year Ended 30 June 2010. A report detailing the payment patterns of the two major airline debtors be presented to the Audit Committee for consideration and recommendation of actions to be taken, including the role of the Airport Committee in this matter.
7. 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 2010 is included in the Audit Committee Agenda as a standing item until all issues are resolved.
8. Recommends to Council that the actions in relation the results of Audit for the Year Ended 30 June 2010 are reported to the Minister following the May 2011 Audit Committee Meeting.

## **COMMITTEE RESOLUTION**

Minute AC225

Moved: Cr D Ausburn

Seconded: Cr J Parker

### **The Audit Committee**

1. **Receives the Independent Audit Report to the Electors of the Shire of Wyndham East Kimberley.**
2. **Receives and the Management Report for the Year Ended 30 June 2010**
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 the Electors of the Shire of Wyndham East Kimberley.**
5. **Recommends to Council to receive Management Report for the Year Ended 30 June 2010**
6. **Recommends to Council the following actions be taken in relation to the results of Audit for the Year Ended 30 June 2010. A report detailing the payment patterns of the two major airline debtors be presented to the December 2010 Council Meeting for consideration and recommendation of actions to be taken, including the role of the Airport Committee in this matter.**
7. **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 2010 is included in the Audit Committee Agenda as a standing item until all issues are resolved.**
8. **Recommends to Council that the actions in relation the results of Audit for the Year Ended 30 June 2010 are reported to the Minister following the May 2011 Audit Committee Meeting.**

Carried Unanimously: 4/0

## **COMMITTEE RECOMMENDATION 3**

**That Council having considered the recommendation of the Audit Committee:**

1. **Receives the Independent Audit Report the Electors of the Shire of Wyndham East Kimberley.**
2. **Receives the Management Report for the Year Ended 30 June 2010**
3. **Requests the following actions be taken in relation to the results of Audit for the Year Ended 30 June 2010: A report detailing the payment patterns of the two major airline debtors be presented to the December 2010 Council Meeting for consideration and recommendation of actions to be taken, including the role of the Airport Committee in this matter.**
4. **Requests that a report on the status of actions taken in relation to the results of Audit for the Year Ended 30 June 2010 is included in the Audit Committee Agenda as a standing item until all issues are resolved.**
5. **Requests that the actions in relation the results of Audit for the Year Ended 30 June 2010 are reported to the Minister following the May 2011 Audit Committee Meeting.**

**INDEPENDENT AUDIT 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 2010 and the Statement of Comprehensive Income by nature or type, Statement of Comprehensive Income by program, Statement of Changes in Equity, Statement of Cash Flows, Rate Setting Statement for the year ended on that date and a summary of significant accounting policies and other explanatory notes.

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

Council is responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended). This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

***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 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 judgment, 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 entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Council, as well as evaluating the overall presentation of the financial report.

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

**Independence**

In conducting our audit, we have complied with the independence requirements of Australian professional ethical pronouncements.

**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 2010 and of its performance for the year ended on that date; and
- b complying with Australian Accounting Standards (including the Australian Accounting Interpretations), the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).

**INDEPENDENT AUDIT REPORT  
TO THE ELECTORS OF THE SHIRE OF WYNDHAM-EAST KIMBERLEY (continued)**

**Other Matters**

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) 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: 12 November 2010  
Perth, WA

#### **5.4 Audit Committee Meeting Dates 2011.**

<b>DATE:</b>	16 November 2010
<b>PROPONENT:</b>	Shire of Wyndham East Kimberley
<b>LOCATION:</b>	Shire of Wyndham East Kimberley
<b>AUTHOR:</b>	Jo-Anne Ellis, Director Corporate Services
<b>REPORTING OFFICER:</b>	Jo-Anne Ellis, Director Corporate Services
<b>FILE NO:</b>	61.34.04

#### **PURPOSE**

To set the meeting dates for the Audit Committee in 2011.

#### **BACKGROUND**

Records show the first meeting of the Audit committee was on 14 June 2005. The Audit Committee has bi-monthly in 2010, 2009 and 2008, prior to this the committee met quarterly or on a needs basis.

#### **STATUTORY IMPLICATIONS**

Local Government Act 1995.

#### **POLICY IMPLICATIONS**

No policies apply to this item

#### **FINANCIAL IMPLICATIONS**

Nil.

#### **STRATEGIC IMPLICATIONS**

The Audit Committee assists Council to fulfil its corporate governance, stewardship, leadership and control responsibilities in relation to the local government's financial reporting and audit responsibilities.

#### **COMMUNITY CONSULTATION**

Nil.

#### **COMMENT**

It is recommended that bi-monthly meetings of the Audit Committee be held with the exception of January 2011 and that meetings are held on the same day as the Ordinary Council Meeting to reduce travelling commitments on Committee Members.

Council and Committee Members need to consider the impact of the timing of the meeting in that matters considered by the Committee will not be included in the Council Agenda until the following month. There is however the opportunity to consider Audit Committee recommendations as urgent business should the need arise.

The meeting schedule recommended is:

Tuesday 15 March 2011	4.30pm Kununurra Council Chambers
Tuesday 17 May 2011	4.30pm Kununurra Council Chambers
Tuesday 19 July 2011	4.30pm Kununurra Council Chambers
Tuesday 20 September 2011	4.30pm Kununurra Council Chambers
Tuesday 15 November 2011	4.30pm Kununurra Council Chambers

### **ATTACHMENTS**

Nil

### **VOTING REQUIREMENT**

Simple Majority

### **OFFICER'S RECOMMENDATION**

That the Audit Committee recommends the following meeting dates of the Audit Committee for 2011 to be adopted and advertised:

Tuesday 15 March 2011	4.30pm Kununurra Council Chambers
Tuesday 17 May 2011	4.30pm Kununurra Council Chambers
Tuesday 19 July 2011	4.30pm Kununurra Council Chambers
Tuesday 20 September 2011	4.30pm Kununurra Council Chambers
Tuesday 15 November 2011	4.30pm Kununurra Council Chambers

### **COMMITTEE RESOLUTION**

Minute AC226

Moved: Cr D Ausburn

Seconded: Cr J Parker

That the Audit Committee recommends the following meeting dates of the Audit Committee for 2011 to be adopted and advertised:

Tuesday 15 March 2011	4.30pm Kununurra Council Chambers
Tuesday 17 May 2011	4.30pm Kununurra Council Chambers
Tuesday 19 July 2011	4.30pm Kununurra Council Chambers
Tuesday 20 September 2011	4.30pm Kununurra Council Chambers
Tuesday 15 November 2011	4.30pm Kununurra Council Chambers

Carried Unanimously: 4/0

### **COMMITTEE RECOMMENDATION 4**

That Council on the recommendation of the Audit Committee adopts the following meeting dates of the Audit Committee for 2011 to be advertised:

Tuesday 15 March 2011	4.30pm Kununurra Council Chambers
Tuesday 17 May 2011	4.30pm Kununurra Council Chambers
Tuesday 19 July 2011	4.30pm Kununurra Council Chambers
Tuesday 20 September 2011	4.30pm Kununurra Council Chambers
Tuesday 15 November 2011	4.30pm Kununurra Council Chambers

## **6 Project Updates**

This item is to provide information to the Audit 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 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).

The Audit Committee requested an update on the progress of the DIY Module in relation to leases and periodic deadlines at the March Audit Committee Meeting.

## **8 Closure of Meeting**

With all the business of the meeting concluded the chair thanked all those in attendance and closed the meeting at 5.57pm.