

MINUTES

OF CITY AUDIT COMMITTEE HELD IN THE COMMITTEE ROOM,
ADMINISTRATION CENTRE, 7 ORCHARD AVENUE, ARMADALE ON TUESDAY, 3
NOVEMBER 2009 AT 5:00 PM

PRESENT:	Cr W Mauger	Chair
	Cr R Butterfield	
	Cr J H Munn JP CMC	
	Cr M H Norman	
	Cr L Reynolds AM JP	
APOLOGIES:	Nil	
OBSERVERS:	Cr L Sargeson	
IN ATTENDANCE:	Mr R S Tame	- Chief Executive Officer
	Mr A F Maxwell	- Executive Director Corporate Services

ELECTION OF CHAIR

The Executive Director Corporate Services opened the meeting at 5pm and explained that the first item of business was the election of Committee Chair.

In this regard, the Executive Director Corporate Services advised that a nomination for Committee Chair had been received in writing from Cr Reynolds nominating Cr Mauger.

Cr Mauger accepted the nomination.

There being no further nominations, Cr Mauger was declared elected as Committee Chair for the period November 2009 to October 2011. Cr Mauger assumed the Chair.

ELECTION OF DEPUTY CHAIR

Cr Mauger called for nominations of Deputy Chair.

Cr Munn nominated Cr Norman. Cr Norman accepted the nomination.

There being no further nominations, Cr Norman was declared elected as Committee Deputy Chair for the period November 2009 to October 2011.

DECLARATION OF MEMBERS' INTERESTS

Nil

PUBLIC QUESTION TIME

Note:

Meetings of the City Audit Committee are closed to the public on the basis that matters to be dealt with by Committee will generally be of a sensitive and confidential nature which, if disclosed, could reasonably be expected to impair the effectiveness of the audit process – Council resolution CS18/2001 refers.

DEPUTATION

Nil

CONFIRMATION OF MINUTES

RESOLVED

**Minutes of the City Audit Committee Meeting held on 8 September 2009,
be confirmed.**

Moved Cr Reynolds
Motion Carried (5-0)

CITY AUDIT COMMITTEE

3 NOVEMBER 2009

I N D E X

BUSINESS OF THE MEETING

2008-2009 FINANCIAL YEAR INDEPENDENT AUDIT REPORT4

COUNCILLORS' ITEMS

RISK MANAGEMENT (CR MUNN).....6

2008-2009 FINANCIAL YEAR INDEPENDENT AUDIT REPORT

WARD ALL
DATE 23rd October 2009
REF AFM and NC
RESPONSIBLE EDCpS
MANAGER

In Brief:

This report presents matters arising from the Independent Audit conducted by Council's Auditor. It should be noted that no issues of inaccuracy or non-compliance with the City's Annual Financial Report for the year ended 30 June 2009 have been identified.

Tabled Items

Nil

Officer Interest Declaration

Nil

Strategic Implications

Effective governance and administration of the City's services.

Legislation Implications

Local Government Act 1995 (as amended) and associated Regulations
Australian Accounting Standards
International Financial Reporting Standards

Council Policy/Local Law Implications

Nil

Budget/Financial Implications

Nil

Consultation

Council's Auditor
Chief Executive Officer

BACKGROUND

Each year, as part of Council's audit process, an Independent Audit is undertaken to assess Council's Annual Financial Report and the legitimacy and accuracy of Council's accounts. An Independent Audit Report is then produced by the Auditor and provided to the Chief Executive Officer, Mayor and the Minister / Department for Local Government and Regional Development. The Report is included in Council's Annual Report. Any issues arising from the Independent Audit Report are to be investigated and action taken to resolve those issues.

Council's Auditor, Mr Tony Macri, will also be in attendance at the meeting to speak to the Audit and take questions from Committee members.

DETAILS OF PROPOSAL

As part of Council's committee structure, the City Audit Committee has been established to review areas of an audit or compliance nature. The Independent Audit is presented at Attachment A-1 to this Report.

COMMENTAnalysis

The Independent Audit was undertaken in October 2009 (Refer to Attachment "A-1" – Summary of Attachments.) and highlights no areas of non-compliance with the Local Government Act 1995 (as amended).

Conclusion

The Independent Audit Report reports that the current systems in place at the City are financially sound and that the Annual Financial Report has been found to be accurate and in accordance with the required legislation. Accordingly, it is recommended that the Independent Audit Report as presented be accepted.

The Executive Director reported that the City's Auditor Mr Macri was unfortunately an apology for the meeting but that if Committee had any questions on his report he was happy to attend a subsequent meeting. Committee noted the apology, congratulated officers on the report and as there were no qualifications to the report agreed that a subsequent meeting with the auditor as offered, was unnecessary.

CA5/11/09 RECOMMEND

That Council acknowledges receipt of the 2008-2009 Financial Year Independent Audit Report as presented at Attachment "A-1", noting that:

- **there were no issues of non-compliance found during the 2008-2009 Annual Audit, and**
- **there were no inaccuracies in the City's Annual Financial Report for the year ended 30 June 2009.**

Moved Cr Norman
Motion Carried (5-0)

COUNCILLORS' ITEMS**Cr Munn – Risk Management**

Cr Munn raised the matter of Risk Management as a possible future role/responsibility of the City Audit Committee and suggested an officer report on the subject be provided to Committee.

Officers responded explaining that whilst the suggestion has merit and reflects current trends in both Government and Non-Government environs, a report on the matter is best left until after the pending Councillors' Workshop on Risk Management. The reason being the workshop will, amongst other outcomes, inform and guide a whole-of-organisation approach to Risk Management i.e. linking/assigning the role/responsibility for risk management to Council's Committee based decision making process and the organisational structure will be one of several workshop outcomes requiring subsequent follow-up, reporting and action.

On the basis of these officer comments, Committee agreed to defer consideration of the matter till after the Councillors' Workshop which is tentatively planned for late November/early December 2009.

MEETING DECLARED CLOSED AT 5.20 PM

CITY AUDIT COMMITTEE

SUMMARY OF "A" ATTACHMENTS

3 NOVEMBER 2009

Attachment No.	Subject	Page
A-1	AUDITOR'S REPORT – 2008-09 FINANCIAL YEAR	

Independent Audit Report



PARTNERS
Anthony Macri FCPA
Domenic Macri CPA
Connie De Felice CA

INDEPENDENT AUDIT REPORT

TO: RATEPAYERS OF CITY OF ARMADALE

Report on the Financial Report

We have audited the financial report of the City of Armadale, which comprises the Balance Sheet as at 30 June 2009 and the Income Statement, Statement of Changes in Equity, Cash Flow Statement, Rate Setting Statement and the notes to and forming part of the financial report for the year ended on that date.

The Responsibility of the Council for the Financial Report

The 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. Our audit has been conducted in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with the 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 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 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 followed applicable independence requirements of Australian professional ethical pronouncements.




Auditor's Opinion

In our opinion, the financial report of the City of Armadale:


- (i) gives a true and fair view of the financial position of the City of Armadale as at 30 June 2009 and of its financial performance for the year ended on that date; and
- (ii) complies with the Local Government Act 1995 (as amended), the Local Government (Financial Management) Regulations 1996 (as amended) and the Australian Accounting Standards (including the Australian Accounting Interpretations).

Statutory Compliance

We did not during the course of our audit become aware of any instances where the Council did not comply with the requirements of the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended).



MACRI PARTNERS
CERTIFIED PRACTISING ACCOUNTANTS
28 THOROGOOD STREET
BURSWOOD WA 6100



A MACRI
PARTNER

PERTH
DATED THIS 21st DAY OF OCTOBER 2009.

