

MINUTES

Audit Committee

MINUTES OF THE AUDIT COMMITTEE MEETING

HELD ON

MEETING DATE



TUESDAY, 9 OCTOBER 2007

www.joondalup.wa.gov.au



City of
Joondalup

CITY OF JOONDALUP

MINUTES OF MEETING OF THE AUDIT COMMITTEE HELD IN CONFERENCE ROOM 2, JOONDALUP CIVIC CENTRE, BOAS AVENUE, JOONDALUP ON TUESDAY, 9 OCTOBER 2007

ATTENDANCE

Committee Members:

Cr Tom McLean	<i>Presiding Person</i>	North Ward
Mayor Troy Pickard		
Cr Marie Macdonald		Central Ward
Cr Sue Hart		South-East Ward

Officers:

Mr Garry Hunt	Chief Executive Officer	<i>Absent from 1752 hrs to 1755 hrs</i>
Mr Mike Tidy	Director Corporate Services	
Mr Mike Smith	Acting Director, Governance and Strategy	
Ms Lesley Taylor	Administrative Secretary	

In Attendance

Mr Michael Hillgrove Auditor – Grant Thornton (WA) Partnership

DECLARATION OF OPENING

The Presiding Person declared the meeting open at 1733 hrs.

APOLOGIES/LEAVE OF ABSENCE

Apology - Cr Magyar

CONFIRMATION OF MINUTES

MINUTES OF THE AUDIT COMMITTEE MEETING HELD ON 16 AUGUST 2007

MOVED Mayor Pickard, SECONDED Cr McLean that the minutes of the meeting of the Audit Committee held on 16 August 2007 be confirmed as a true and correct record.

The Motion was Put and

CARRIED (4/0)

In favour of the Motion: Crs McLean, Macdonald and Hart, Mayor Pickard

ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION

Nil.

DECLARATIONS OF INTEREST**Disclosure of Financial Interests**

Nil.

Disclosure of interest affecting impartiality

Name/Position	Mr Garry Hunt, Chief Executive Officer
Item No/Subject	Item 1 – 2006/07 Annual Financial Report
Nature of interest	Interest that may affect impartiality
Extent of interest	CEO is a signatory to the Annual Financial Statements

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY SIT BEHIND CLOSED DOORS

Nil.

PETITIONS AND DEPUTATIONS

Nil.

WELCOME – AUDITOR

The Presiding Person introduced Mr Michael Hillgrove, the external Auditor who was in attendance to address any queries with respect to the Financial Statements for 2006/07.

Director, Corporate Services gave an overview of the results contained within the financial statements for 2006/07 and provided responses to questions raised by Committee members.

Discussion ensued.

During discussion, Chief Executive Officer left the Room at 1752 hrs and returned at 1755 hrs.

ITEM 1 2006/07 ANNUAL FINANCIAL REPORT**WARD:** All**RESPONSIBLE** Mr Mike Tidy
DIRECTOR: Corporate Services

PURPOSE

To consider the 2006/07 Annual Financial Statements and the auditor's report.

EXECUTIVE SUMMARY

In accordance with Section 6.4 of the Local Government Act 1995, the 2006/07 Annual Financial Report has been prepared and the accounts and the report have been submitted to the City's auditors.

The City's auditors have completed their audit of Council's accounts and the Annual Financial Report for the 2006/07 financial year in accordance with the terms of their appointment and the requirements of the Local Government Act 1995 Part 7 Division 3 and submitted their report. An abridged set of Financial Statements will form part of the 2006/07 Annual Report.

The auditors report and the Annual Financial Report for the financial year 2006/07 are submitted for the Committee's consideration.

The following recommendation is provided for the Audit Committee's consideration:

That the Audit Committee RECOMMENDS that Council BY AN ABSOLUTE MAJORITY, ACCEPTS the Annual Financial Report of the City of Joondalup and the accompanying audit report for the financial year 2006/07 forming Attachment 1 to this Report.

BACKGROUND

Section 6.4 of the Local Government Act 1995 sets out the requirements for a local government to prepare an annual financial report and to submit both the report and its accounts to its auditor by the 30 September each year. The City of Joondalup has met these requirements and the City's auditors have completed the audit of Council's accounts and Annual Financial Report for the financial year 2006/07.

As has been past practice, an abridged version of the Annual Financial Report has also been prepared for inclusion in the City's Annual Report. The Annual Financial Report for the financial year 2006/07 is included with this report at attachment 1

DETAILS

Issues and options considered:

The preparation of an Annual Financial Report and the submission of the report and the City's accounts to the auditors for audit are statutory requirements of the Local Government Act 1995.

The Annual Financial Report needs to be accepted by Council in order to enable the holding of an Annual General Meeting of Electors at which the City's Annual Report containing the abridged version of the financial report will be considered. The Annual Financial Report is also required to be submitted to the Executive Director of the Department of Local Government and Regional Development.

Link to Strategic Plan:

Strategy 4.1 of the City's Strategic Plan 2003-2008:

"To manage the business in a responsible and accountable manner"

Legislation – Statutory Provisions:

Local Government (Financial Management) Regulation 51(2) states:

"A copy of the annual financial report of a local government is to be submitted to the Executive Director within 30 days of the receipt by the CEO of the auditor's report on that financial report."

Section 5.53 of the Local Government Act 1995 states:

5.53 Annual Reports

- (1) *The local government is to prepare an annual report for each financial year.*
- (2) *The annual report is to contain:*
 - (f) *the financial report for the financial year;*

Section 5.54 of the Local Government Act 1995 states:

6.4 Financial report

- (1) *A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.*
- (2) *The financial report is to —*
 - (a) *be prepared and presented in the manner and form prescribed;*
and
 - (b) *contain the prescribed information.*

- (3) *By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —*
- (a) *the accounts of the local government, balanced up to the last day of the preceding financial year; and*
 - (b) *the annual financial report of the local government for the preceding financial year.*

Risk Management considerations:

The risk associated with not accepting the Annual Financial Report for the financial year 2006/07 is that it could lead to failure to set a date for the Annual General Meeting of Electors resulting in non-compliance with the requirements of the Local Government Act 1995.

Financial/Budget Implications:

Not Applicable.

Policy Implications:

Not Applicable.

Regional Significance:

Not Applicable.

Sustainability Implications:

Not Applicable.

Consultation:

There is no legislative requirement to consult on the preparation of the Annual Financial Report, but the Local Government Act 1995 requires an Annual General Meeting of Electors to be held and the City's Annual Report incorporating the abridged financial report to be made available publicly. The full Annual Financial Report will also be publicly available.

COMMENT

It is proposed that the Annual Financial Report will be produced on CD-Rom and made available on the City's public website. A minimal number of printed, bound colour copies will be available for viewing at libraries, leisure centres and customer services centres.

In order for the City to meet its legislative requirements, it is recommended that the Council accepts the Annual Financial Report for the financial year 2006/07.

ATTACHMENTS

Attachment 1 Annual Financial Report for the financial year 2006/07
Attachment 2 Copy of Independent Auditor's Report

VOTING REQUIREMENTS

Simple Majority

MOVED Mayor Pickard, SECONDED Cr McLean that the Audit Committee RECOMMENDS that Council, BY AN ABSOLUTE MAJORITY, ACCEPTS the Annual Financial Report of the City of Joondalup and the accompanying Audit Report for the Financial Year 2006/07 forming Attachment 1 to this Report.

The Motion was Put and **CARRIED (4/0)**

In favour of the Motion: Crs McLean, Macdonald and Hart, Mayor Pickard

Appendix 1 refers

VOTE OF THANKS

The Presiding Person offered a vote of thanks to the external Auditor, Director Corporate Services and responsible officers involved with the preparation of the Annual Financial Statements.

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION

Nil.

CLOSURE

There being no further business, the Presiding Person declared the Meeting closed at 1758 hrs; the following Elected members being present at that time:

Cr T McLean
Mayor T Pickard
Cr M Macdonald
Cr S Hart