City of Rockingham

MINUTES

Audit Committee Meeting

Held on

Tuesday, 15 February 2011

3:00pm

Council Boardroom
Council Administration Building
Civic Boulevard, Rockingham
City of Rockingham
Audit Committee Meeting
3:00pm Tuesday, 15 February 2011

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# MINUTES

## 1. Declaration of Opening

The Chairperson declared the Audit Committee Meeting open at 3:20pm and welcomed all present.

## 2. Record of Attendance/ Apologies/ Approved Leave of Absence

### 2.1 Members

- Mayor B Sammels Chairperson
- Cr A Prince

### 2.2 Executive Support

- Mr A Hammond Chief Executive Officer
- Mr J Pearson Director Corporate Services
- Mr A Moles Manager Financial Services
- Mr N Fimmano Manager Executive Services

### 2.3 In Attendance

- Mr Greg Godwin Partner, UHY Haines Norton

### 2.4 Apologies:

- Cr R Smith
- Cr L Liley

### 2.5 Approved Leave of Absence: Nil

## 3. Terms of Reference

To oversee the external audit processes of the City, including receipt of the auditors statements and management reports.

## 4. Confirmation of Minutes of the Previous Audit Committee Meeting

Moved Cr Prince, seconded Cr Sammels:

That Committee **CONFIRM** the Minutes of the Audit Committee Meeting held on 21 September 2010, as a true and accurate record.

Carried 2/0
<table>
<thead>
<tr>
<th></th>
<th>Matters Arising from the Previous Audit Committee Meeting Minutes</th>
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<tbody>
<tr>
<td></td>
<td>Nil</td>
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<td>6. Declarations of Members and Officers Interests</td>
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<td></td>
<td>Nil</td>
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<td>7. Petitions/ Deputations/ Presentations/ Submissions</td>
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<tr>
<td></td>
<td>Nil</td>
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<td>8. Agenda Items</td>
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1. **Purpose of Report**


2. **Background**

Council is required to accept the Audited Financial Report which will be included as part of the Annual Report.

Council’s Auditors have now completed the audit and have provided their Independent Auditor’s Report and Management Report.

3. **Details**

The Audited Financial Report includes financial information relating to Bert England Lodge, which is operated on behalf of the City of Rockingham, under a Management Agreement, by Southern Cross Care (WA) Inc. As this is the first time these figures have been correctly incorporated, the Financial Report includes adjusted figures for the previous financial years for comparison purposes.
4. Implications to Consider

a. Consultation with the Community
   Nil

b. Consultation with Government Agencies
   Nil

c. Strategic
   Nil

d. Policy
   Nil

e. Financial
   The closing surplus/deficit position for 2009/10 (excluding Restricted Funds) which is used for budgeting purposes, is a surplus of $10,010,398 compared to the opening surplus estimated in the 2010/11 Adopted Budget of $9,526,387, however the value of Restricted Funds of $2,671,863 is less than the anticipated $3,000,000 included in the Budget.

   The Statement of Comprehensive Income shows a significant reduction in the Net Result which is largely due to the reduction of fees and charges from the Millar Road Landfill and the less than anticipated value in Non Cash Contributions (developer contributed assets) as compared to the Adopted Budget.

f. Legal and Statutory
   Section 6.4 of the Local Government 1995 requires Council to prepare an annual financial report for the preceding financial year which is to be presented in the manner and form prescribed.

   Section 6.4(3) requires Council to submit to its auditor the accounts balanced up to the last day of the preceding financial year and the annual financial report by 30 September.

   Section 5.53(2) requires Council to prepare an annual report that includes the financial report for the financial year and the auditor's report for the financial year.

   Section 5.54 requires Council to accept the annual report for a financial year by no later than 31 December after that financial year, unless the auditor's report is not available in time, then it is to be accepted no later than 2 months after the auditor's report becomes available.

5. Comments

The Auditor's Management Report includes the response from Management to the issues raised.

All issues raised have either been addressed or are currently being reviewed.

The major issue still to be resolved is the financial management and reporting procedures in relation to Bert England Lodge which will require a comprehensive review.

6. Voting Requirements

Simple Majority

7. Officer Recommendation

That Council:


8. **Committee Recommendation**

That Council:


Committee Voting - 2/0

9. **The Committee's Reason for Varying the Officer's Recommendation**

Not applicable

10. **Implications of the Changes to the Officer's Recommendation**

Not applicable
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<tr>
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<th><strong>Date and Time of Next Meeting</strong></th>
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<tbody>
<tr>
<td></td>
<td>The next Audit Committee meeting will be held on <strong>a date to be advised</strong> in the Committee Room, Council Administration Building, Civic Boulevard, Rockingham.</td>
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<th><strong>Closure</strong></th>
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<td>There being no further business, the Chairman thanked those persons present for attending the Audit Committee meeting, and declared the meeting closed at 3:36pm.</td>
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