



Serpentine  
Jarrahdale Shire

**MINUTES**  
**of**  
**AUDIT COMMITTEE MEETING**

7 MAY 2013

MINUTES OF THE AUDIT COMMITTEE MEETING HELD IN COUNCIL CHAMBERS,  
6 PATERSON STREET, MUNDIJONG ON MONDAY, 8 MAY 2013. THE PRESIDING  
MEMBER DECLARED THE MEETING OPEN AT 12.00PM.

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## 1. ATTENDANCES AND APOLOGIES:

### IN ATTENDANCE:

**COUNCILLORS:** B Moore  
J Kirkpatrick  
B Urban  
G Wilson

**OFFICERS:** Mr R Gorbunow .....Chief Executive Officer  
Mr B Gleeson..... Director Development Services  
Mr A Hart .....Director Corporate Services/Strategic Community Planning  
Mr U Striepe .....Acting Director Engineering  
Ms C Milhovilovich ..... Executive Manager Finance Services  
Ms L Jones .....Minute Secretary

**APOLOGY:** Cr D Atwell

**OBSERVERS:** Nil

Members of the Public - 0

Members of the Press - 0

## 3. PUBLIC QUESTION TIME:

Nil

## 4. PUBLIC STATEMENT TIME:

Nil

## 5. PETITIONS AND DEPUTATIONS:

Nil

## 6. PRESIDING MEMBER'S REPORT:

Nil

## 7. DECLARATIONS OF COUNCILLORS AND OFFICER'S INTEREST:

Nil

## 8. MOTION OF WHICH NOTICE HAS BEEN GIVEN:

AC002/05/13	FINANCIAL MANAGEMENT REVIEW (A1212)
Author:	Richard Gorbunow – Chief Executive Officer
Date of Report:	30 April 2013
Disclosure of Officers Interest:	No officer involved in the preparation of this report is required to declare an interest in accordance with the provisions of the <i>Local Government Act</i>

### EXECUTIVE SUMMARY

Pursuant to section 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*, the Local Government's Chief Executive Officer is to undertake a review of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every four financial years) and report to the local government the result of the review. UHY Haines Norton, Shire of Serpentine Jarrahdale auditors, conducted the review between 25 - 28 March 2013.

### RELEVANT PREVIOUS DECISIONS OF COUNCIL

There is no previous Council decision relating to this issue.

### COMMUNITY / STAKEHOLDER CONSULTATION

No community consultation was required.

### REPORT

UHY Haines Norton has advised that there were seven findings in their review, and they are as follows:

1. Trust Funds: Existing trust liabilities should be reviewed.  
Comment: The creditor's officer commenced the trust liability review 18 months ago. There are two trust funds that will be reviewed before 30 June 2013. By 30 June 2014 all trust funds will be reviewed and funds in trust will be current liabilities.
2. Purchases, Payments and Payables: Purchase orders should be issued at the time goods/services are ordered.  
Comment: Continue with educating staff on purchasing and associated policies.
3. Wages and Salaries: Payroll system should be updated when casual staff no longer work for Council.  
Comment: Implement an end-of-year procedure to terminate casual staff members if their employment is no longer current.
4. Minutes and Meetings: Council and Committee meeting minutes should be signed by the Presiding Member when they are approved.  
Comment: Staff will ensure they are signed.
5. Annual and Primary Returns:
  - i) Annual return period should be correctly recorded.
  - ii) Annual and Primary returns should be completed in full.
  - iii) Primary returns should be lodged within 3 months of the start date.  
Comment: Staff will ensure that officers and Council are completing returns correctly.

6. Tender Register: Tender register should be updated with all statutory requirements.  
Comment: Staff will ensure compliance with statutory requirements.
7. Storage of Documents/Record Keeping: i) Important documents should be stored in a fire resistant location.  
ii) Registers should be maintained for important documents.  
Comment: Officers to investigate and assess risk of documents stored on site and alternative locations.

## ATTACHMENT

- [AC002.1/05/13](#) - Financial Management Review (IN13/6897)

## ALIGNMENT WITH OUR PLAN FOR THE FUTURE

The Financial Management Review focuses on the Success and Sustainability, Knowledge and Information, and Process Management, Improvement and Innovation focus areas of the Our Council at Work vision category of the Plan for the Future. By obtaining an external review, it ensures that we are satisfying our statutory obligations.

## STATUTORY ENVIRONMENT

Section 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* states that “the CEO is to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 4 financial years) and report to the local government the results of those reviews.”

## FINANCIAL IMPLICATIONS

A budget provision has been included in the 2012/2013 budget to accommodate the expenses associated with carrying out this review.

## VOTING REQUIREMENTS      ABSOLUTE MAJORITY

**AC002/05/13      COMMITTEE / Officer Recommendation**

**Moved Cr Kirkpatrick, seconded Cr Urban**

**That the Audit Committee receive the Financial Management Review Report for the Shire of Serpentine Jarrahdale conducted in the financial year ended 30 June 2013.**

**CARRIED 4/0**

**Council Note:      Councillors requested it be noted that the Committee acknowledged the efforts of the Finance Department in achieving an excellent report.**

**9. URGENT BUSINESS:**

**Nil**

**10. COUNCILLORS QUESTIONS OF WHICH NOTICE HAS BEEN GIVEN:**

**Nil**

**11. CLOSURE:**

There being no further business the Presiding Member declared the meeting closed at 12.03pm.