

Murchison Regional Vermin Council

AGENDA

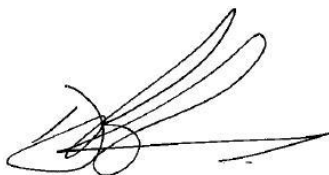
AUDIT COMMITTEE MEETING

MONDAY 03 MAY 2010

NOTICE OF MEETING

Dear Elected Member,

The next Audit Committee Meeting of the Murchison Regional Vermin Council will be on the 3 May 2010 at 9.30am.



.....
David Burton
CHIEF EXECUTIVE OFFICER

Date: 21 April 2010

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Murchison Regional Vermin Council for any act, omission, statement or intimation occurring during this meeting.

It is strongly advised that persons do not act on what is heard at this meeting and should only rely on written confirmation of Council's decision, which will be provided within fourteen (14) days of this meeting

MURCHISON REGIONAL VERMIN COUNCIL
AGENDA
Audit Committee Meeting
03 May 2010

TABLE OF CONTENTS

1	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS.....	3
2	RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE.....	3
3	RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE.....	3
4	PUBLIC QUESTION TIME	3
5	APPLICATIONS FOR LEAVE OF ABSENCE	3
6	CONFIRMATION OF MINUTES OF PREVIOUS MEETING	3
7	ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION	3
8	PETITIONS / DEPUTATIONS / PRESENTATIONS / SUBMISSIONS.....	3
9	AGENDA ITEMS.....	4
9.1	2009 Auditor’s Report	4
10	CORRESPONDENCE.....	11
10.1	Inward Correspondence	11
11	CONFIDENTIAL BUSINESS	11
12	NEW BUSINESS	11
13	NEXT MEETING	11
14	CLOSURE OF MEETING.....	11
15	CERTIFICATION BY CHAIRMAN.....	11

Murchison Regional Vermin Council
AGENDA
Audit Committee Meeting
03 May 2010

- 1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS**
- 2 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE**
- 3 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**
- 4 PUBLIC QUESTION TIME**
- 5 APPLICATIONS FOR LEAVE OF ABSENCE**
- 6 CONFIRMATION OF MINUTES OF PREVIOUS MEETING**

OFFICER RECOMMENDATION

Moved:

Seconded:

That the Minutes of the Audit Committee meeting held on the 17 August 2009 be confirmed as a true and correct record.

CARRIED/LOST __/__

- 7 ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION**
- 8 PETITIONS / DEPUTATIONS / PRESENTATIONS / SUBMISSIONS**

9 AGENDA ITEMS

9.1 2009 Auditor's Report

File:	MRVC
Officer:	David Burton - Chief Executive Officer
Amended By:	Nil
Disclosure of Interest:	Nil
Date:	21 April 2010

Application

To consider the Audit Report from UHY Haines Norton for the year ended 30 June 2009.

Background

The final audit has been conducted by UHY Haines Norton for the year ended 30 June 2009 and it is a requirement for the Independent Audit Report to be accepted by Council.

Comment

A copy of the Independent Audit Report and Management Letter has been provided.

The Independent Audit Report is a public document that is presented in Council's Annual Report, however the Management Letter is of a confidential nature and is for in house matters and directions.

Council will vote to receive the documents at the Ordinary Council Meeting on Monday 3 May 2010, however guidance and comments from the Audit Committee are sought on a more in depth basis as to any directions that it may wish to put forward.

Consultation

UHY Haines Norton

Statutory Environment

The Local Government Act 1995 Section 7.2 states;

The accounts and annual financial report of a local government for each financial year are required to be audited by an auditor appointed by each local government.

The Local Government (Audit) Regulations section 10 states;

1. An auditor's report is to be forwarded to the persons specified (Mayor or President, Audit Committee Chairman, CEO and Minister) within 30 days of completing the audit.
2. The report is to give the auditor's
 - a. the financial position of the local government; and
 - b. the results of the operations of the local government
3. The report is to include -
 - a. any material matters that in the opinion of the auditor indicate significant adverse trends in the financial position or the financial management practices of the local government;
 - b. any matters indicating non-compliance with part 6 of the Act, the Local Government (Financial Management) Regulations or applicable financial controls in any other written law;
 - c. details of whether information and explanations were obtained by the auditor; and
 - d. a report on the conduct of the audit.

4. Where it is considered by the auditor to be appropriate to do so, the auditor is to prepare a management report to accompany the auditor's report and to forward a copy of the management report to the persons specified (Mayor or President, Audit Committee Chairman, CEO and Minister) with the auditor's report.

Policy Implications

Nil

Financial Implications

Nil

Strategic Implications

Nil

Voting Requirements

Simple Majority

OFFICER RECOMMENDATION

Moved:

Seconded:

That the Audit Committee discuss and make any recommendations to Council after reviewing the 2009 Auditor's Report.

CARRIED/LOST __/__

RECEIVED
15 APR 2010
BY: _____

12 April 2010

Cr D McQuie
The Chairman
Audit Committee
Murchison Regional Vermin Council
PO Box 62
MOUNT MAGNET WA 6638

RECEIVED	(CEO)	WM	
15.4.10	DCEO	SRO	
FILE REF	SFO	CP	
MRVC	FA	SP	
	PA	LIB	
	CSO	RAN	
RECORDS NO	CDO	TIO	
	EHO		

Dear Cr McQuie

MANAGEMENT REPORT FOR THE YEAR ENDED 30TH JUNE 2009

We advise that we have completed our audit procedures for the year ended 30th June 2009 and enclose our Audit Report.

We are required under the Local Government Audit Regulations to report certain compliance matters in our audit report. Other matters which arise during the course of our audit that we wish to bring to Council's attention are raised in this management report.

It should be appreciated that our audit procedures are designed primarily to enable us to form an opinion on the financial statements and therefore may not bring to light all weaknesses in systems and procedures which may exist. However, we aim to use our knowledge of the Council gained during our work to make comments and suggestions which, we hope, will be useful to you.

We noted some matters we wish to bring to Council's attention:

Reconciliation of BAS Return

We note the Council does not reconcile the BAS Return to the General Ledger every quarter.

To prevent incurring Tax penalties and to help ensure accurate monthly reporting to Council, we recommend all transactions be processed in a timely manner and reconciliations of the BAS return be performed and reviewed on a timely basis.

Fixed Asset Register

Council does not have an up to date fixed asset register.

To help ensure Council accounts for all fixed assets and depreciation is calculated accurately, a fixed assets' register needs to be maintained and reconciled to the general ledger on a regular basis.

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Annual and Primary Returns of Councilors and Staff

Upon review of the Financial Interests Register and the Primary and Annual Returns of Councilors and Officers, it was noted various sections of returns had been left blank.

To help ensure compliance with the Department of Local Government and Regional Development Circular No 18-2005, we recommend sections which have no information should be completed "N/A", "Nil" or "Refer to Prior Return" as leaving blanks is not preferred practice.

In addition, the returns of 3 Councilors could not be found in the financial interests register.

To help ensure compliance with Section 5.88(2)(a) of the Local Government Act, all primary and annual returns, should be located as soon as practicable and filed in the register of financial interests.

Minutes and Meetings

Whilst reviewing the Council meetings, we noted, on occasion, ordinary meetings were held more than 3 months apart.

To help ensure compliance with Section 5.3(2) of the Local Government Act, we recommend meetings be held not more than 3 months apart.

Annual Report

We noted the following areas of non-compliance in respect of the 2007/08 Annual Report:

- The report did not contain the disclosures required under the National Competition Policy and State Records Act 2000 as required by Section 5.53 of the Act.

To help ensure compliance with the Act, consideration should be given to these requirements in the future.

Plan for the Future

Local public notice was not given for the 'Plan for the Future'.

To help ensure compliance with Section 5.56 of the Local Government Act via Administration Regulation 19D(1), local public notice should be given after adoption of the 'Plan for the Future'.

We noted no other matters we wish to draw to Council's attention.

We take this opportunity to thank the Chief Executive Officer and all staff for the assistance provided during the audit.

Should you wish to discuss any matter relating to the audit or any other matter, please do not hesitate to contact us.

Yours faithfully



DAVID TOMASI
PARTNER
Enc

I N T E L L I G E N T C H O I C E • I N T E L L I G E N T S O L U T I O N S

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE MURCHSION REGIONAL VERMIN COUNCIL**

Report on the Financial Report

We have audited the accompanying financial report of the Murchison Regional Vermin Council, which comprises the balance sheet as at 30 June 2009 and the income statement by nature or type, income statement by program, statement of changes in equity, cash flow statement and fee 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 control 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 Murchison Regional Vermin Council 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 Council's financial position as at 30 June 2009 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).

Page 26

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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF THE MURCHISON REGIONAL VERMIN COUNCIL (Continued)**

Statutory Compliance

During the course of the audit we became aware of the following instances where the Council did not comply with the Local Government (Financial Management) Regulations 1996 (as amended).

Review of Budget

Council did not carry out a review of its annual budget between 1 January and 31 March 2009 as required by Financial Management Regulation 33.

Monthly Statement of Financial Activity

The Monthly Statement of Financial Activity for the financial year ended June 2009 did not include all matters as required by Financial Management Regulation 34(1), 34(2) and 34(3).

Adoption of Material Variance

Council did not adopt a percentage or value to be used in the Monthly Statement of Financial Activity for reporting material variances as required by Financial Management Regulation 34(5).

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 Council.
- b) Except as detailed above, no other 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

Address: Perth, WA
Date: 12 April 2010

10 CORRESPONDENCE

10.1 Inward Correspondence

10.1.1 03/11/2009 Great Northern Rural Services
Invoice #46335 \$1,791.30

10.1.2 30/11/2009 Murchison Mail and Freight
Invoice #3205 \$123.20

10.1.3 24/02/2010 Shire of Cue
MRVC Request for Minutes

10.1.4 12/04.2010 UHY Haines Norton
Audit of MRVC year ended 30/06/09
Independent Auditors Report

10.1.5 CBA Chq Acct Statement

10.1.6 UHY Haines Norton
20/04/2010 Invoice 2010-018197 \$2,200

11 CONFIDENTIAL BUSINESS

12 NEW BUSINESS

13 NEXT MEETING
To be advised.

14 CLOSURE OF MEETING

15 CERTIFICATION BY CHAIRMAN