

AGENDA

Audit Committee

MEETING OF THE AUDIT COMMITTEE

TO BE HELD ON

MEETING DATE



TUESDAY 9 OCTOBER 2007
commencing at 5.30 pm

in Conference Room 2
JOONDALUP CIVIC CENTRE,
BOAS AVENUE, JOONDALUP



GARRY HUNT
Chief Executive Officer
5 October 2007

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City of
Joondalup

CITY OF JOONDALUP

Notice is hereby given that a meeting of the **AUDIT COMMITTEE** will be held in Conference Room 2, Joondalup Civic Centre, Boas Avenue, Joondalup on **TUESDAY 9 OCTOBER 2007** commencing at **5.30 pm**.

GARRY HUNT
Chief Executive Officer
5 October 2007

Joondalup
Western Australia

AGENDA

Committee Members

Cr Tom McLean – Presiding Person
Cr Steve Magyar – Deputy Presiding Person
Mayor Troy Pickard
Cr Marie Macdonald
Cr Michele John
Cr Sue Hart
Cr Richard Currie

Terms of Reference

To oversee the internal and external Audit and Risk Management and Compliance functions of the City.

DECLARATION OF OPENING

APOLOGIES/LEAVE OF ABSENCE

CONFIRMATION OF MINUTES

MINUTES OF THE AUDIT COMMITTEE HELD ON 16 AUGUST 2007

RECOMMENDATION

That the minutes of the meeting of the Audit Committee held on 16 August 2007 be confirmed as a true and correct record.

ANNOUNCEMENTS BY THE PRESIDING PERSON WITHOUT DISCUSSION**DECLARATIONS OF INTEREST****Disclosure of Financial Interests**

A declaration under this section requires that the nature of the interest must be disclosed. Consequently a member who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter the subject of the declaration. An employee is required to disclose their financial interest and if required to do so by the Council must disclose the extent of the interest. Employees are required to disclose their financial interests where they are required to present verbal or written reports to the Council. Employees are able to continue to provide advice to the Council in the decision making process if they have disclosed their interest.

Disclosure of interest affecting impartiality

Elected Members and staff are required under the Code of Conduct, in addition to declaring any financial interest, to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making process. The Elected Member/employee is also encouraged to disclose the nature of the interest.

IDENTIFICATION OF MATTERS FOR WHICH THE MEETING MAY SIT BEHIND CLOSED DOORS**PETITIONS AND DEPUTATIONS****REPORTS**

ITEM 1 2006/07 Annual Financial Report

Page 3

MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN**REQUESTS FOR REPORTS FOR FUTURE CONSIDERATION****CLOSURE**

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 – **to be distributed at the meeting.**

VOTING REQUIREMENTS

Simple Majority

RECOMMENDATION

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.

Appendix 1 – to be distributed at the meeting.

APPENDICES

ITEM	TITLE	APPENDIX	PAGE
Item 1	<p>2006/07 ANNUAL FINANCIAL REPORT</p> <p>Attachment 1 Annual Financial Report for the financial year 2006/07</p>	1	<p>To be distributed at the meeting.</p>