



MINUTES

August 2019

AUDIT COMMITTEE MEETING

**Minutes of the Audit Committee held on Wednesday 28th of August 2019
at the Gascoyne Junction Council Chambers, commencing at 8.30am**

John McCleary
CHIEF EXECUTIVE OFFICER

DISCLAIMER



No responsibility whatsoever is implied or accepted by the Shire of Upper Gascoyne for any act, omission or statement or intimation occurring during Council Meeting. The Shire of Upper Gascoyne disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee Meetings.

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The Shire of Upper Gascoyne warns that anyone who has any application or request with the Shire of Upper Gascoyne must obtain and should rely on

WRITTEN CONFIRMATION

Of the outcome of the application or request of the decision made by the Shire of Upper Gascoyne.

John McCleary
CHIEF EXECUTIVE OFFICER

**SHIRE OF UPPER GASCOYNE
MINUTES FOR THE AUDIT COMMITTEE MEETING OF COUNCIL HELD AT THE SHIRE OF UPPER
GASCOYNE COUNCIL CHAMBERS
ON WEDNESDAY 28th of AUGUST 2019 8.30am**

1.0 DECLARATION OF OPENING/ANNOUNCEMENTS OF VISITORS

The Shire President declared the meeting open at 8.30am.

2.0 RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

2.1 Councillors

| | |
|------------------|-----------------|
| Cr D Hammarquist | Shire President |
| Cr A. McKeough | Councillor |

Staff

| | |
|------------------|--------------------------|
| John McCleary | Chief Executive Officer |
| Peter Hutchinson | Finance Manager |
| Ian Fitzgerald | Acting CEO |
| Jarrod Walker | Works & Services Manager |

Visitors

Cr J. Caunt
Cr H. McTaggart
Cr G. Watters
Cr B. Walker

2.2 Apologies / Leave of Absence (Previously Approved)

Cr. R.J. Collins

3.0 PUBLIC QUESTION TIME

3.1 Questions on Notice

Nil

3.2 Questions without Notice

Nil

4.0 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

5.0 DISCLOSURE OF INTEREST

Nil

6.0 PETITIONS/DEPUTATIONS/PRESENTATIONS

Nil

7.0 REPORTS OF OFFICERS

7.1 Finance Manager

7.1.1 Asset Impairment Consideration – Liquor Licence

| | |
|------------------------|--|
| AGENDA ITEM: | 7.1.1 |
| SUBJECT: | Asset Impairment Consideration – Liquor Licence |
| PROPONENT: | N/A |
| SITE: | N/A |
| FILE REFERENCE: | 2.1.1 |
| AUTHOR: | Peter Hutchinson / Finance Manager |

DISCLOSURE OF INTEREST Nil

PURPOSE

To present Appendix #1 being the Asset Impairment consideration memo for the write off of the liquor licence (intangible asset).

BACKGROUND

In accordance with AASB136.9, the local government is required to assess at reporting date whether there is an indication that an asset is impaired.

Impairment is considered to be an asset that has a carrying amount which exceeds its recoverable amount. AASB136 defines the carrying amount an asset as *“the amount which an asset is recognised after deducting any accumulated depreciation (amortisation) and accumulated impairment losses thereon”* and defines the recoverable amount of an asset as *“the higher of its fair value less costs to sell and its value of use.”*

COMMENT

Management has assessed whether there were any impaired assets as at the reporting date of 30 June 2019 and has decided to impair the Intangible Asset being the liquor licence. A memo with the workings behind the decision is included in [Appendix #1](#)

STATUTORY ENVIRONMENT

Local Government (Financial Management) Regulations

AASB136 – Impairment of Assets

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Per the advice from the Shire’s accountants RSM Geraldton the write off is a non-cash item and will not affect the 2019/20 balanced budgets opening position so no adjustments are required to expenditures to cover it.

The assets on the Balance sheet will be reduced by the write off amount of \$96,473.

BACKGROUND

An interim independent Audit as required under section 7.9 of the Local Government Act 1995 was carried out Moore Stephens on behalf of the Office of Auditor General.

COMMENT

A copy of the Interim Management Letter with the Auditors findings and subsequent management comments has been included in **Appendix #2**

STATUTORY ENVIRONMENT

Local Government Act 1995 – Division 3 – Conduct of Audit

Audit to be conducted

7.9 (1) an auditor is required to examine the accounts and annual report submitted for audit and. By the 31st December next following the financial year to which the accounts and report relate or such later date as may be prescribed, the prepare a report thereon and forward a copy of that report to –

- (a) The mayor or president;
- (b) The CEO, the local government; and
- (c) The Minister.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Nil

VOTING REQUIREMENTS

Absolute Majority at Committee

OFFICER RECOMMENDATION/COMMITTEE RESOLUTION

That the Audit Committee:

Receive the Interim Management Letter from the Office of Auditor General.

Resolution No. A02082019

Moved CR A. McKeough

Seconded CR D. Hammarquist

That the Audit Committee:

Receive the Interim Management Letter from the Office of Auditor General.

CARRIED 2/0

The Audit Committee offered their congratulations to the Administration staff on the standard of work carried out.

8.0 MEETING CLOSURE

The Shire President declared the meeting closed at 8.47am.

To be confirmed at Ordinary Meeting on the 20th September 2019.

Signed:

D. Hammarquist CAM JP

Presiding member at the Meeting at which time the Minutes were confirmed.