



**AUDIT COMMITTEE MEETING HELD AT THE CIVIC CENTRE, KATHERINE, FRIDAY
16 SEPTEMBER 2011 at 11-00AM**

MINUTES

1. PRESENT

Anne Shepherd	Mayor (Chairman)
Lis Clark	Deputy Mayor
Peter Hill	Perks Audit & Assurance
Geoff Brooks	Chief Executive Officer
Alice Anastacio	Finance Manager

2. APOLOGIES

Nil

3. CONFIRMATION OF MINUTES

Moved: Hill/Clark

That the minutes of the Audit Committee Meeting on 9 September 2010 be confirmed as a true and accurate record.

Carried

4. BUSINESS ARISING

Nil

5. ISSUES FOR DISCUSSION

5.1 2010/2011 Audit and Financial Position

Auditor Peter Hill advised that the Annual Financial Statements to 30 June 2011 had been well prepared and that no significant alterations were required. He and the Mayor congratulated Finance Manager Alice Anastacio and her staff on a job well done. The Annual Financial Statements have been signed off by the Auditor and they will be incorporated in the 2010/2011 Katherine Town Council Annual Report.

It was noted that Trade and Other Receivables, on Page 17 of the Annual Financial Statements, included an amount \$313,500 (Visitor Information Centre Service Level Agreement Income) which was invoiced on 22 June 2011 for the 2011/2012 financial year. Also on Page 17 a negative Cash on Hand and at Bank amount of \$434,513 is shown which should not be interpreted as an overdraft, as it does not account for the maturity of an investment.

It was noted that efforts to recover unpaid rates had increased in 2010/2011 with one property being sold and a number of others having Statutory Demands registered against the title.

5.2 Investment Policy

It was noted that currently investment rates vary significantly between Approved Deposit Institutions. In order to further spread any risk it was agreed to modify existing investment arrangements so that no more than 35% (currently 50% to 60%) of funds would be invested with the one institution and that investments should be with a minimum of four institutions. Due to the deteriorating world economy Council's investment policy will be kept under review by the Audit Committee.

5.3 Reserves

The Cash Flow Statement on Page 5 of the Financial Statements indicates Cash and Cash Equivalents at 30 June 2011 to be some \$12.9 million. After accounting for Cultural Precinct contractor payments, carried forward amounts and prepayments Council's unrestricted reserves as at 30 June 2011 are approximately \$6.8 million.

5.4 Valuation of Non Current Assets

Non Current Assets were re-valued during the financial year, on the basis Council's five year revaluation cycle, with a resulting increase in the valuation of Infrastructure, Property, Plant and Equipment from \$43.6 million to \$67.8 million. It was noted that this increase in valuation will also result in a significant increase in depreciation next financial year.

6. **NEXT MEETING**

To be arranged as part of the 2011/2012 audit process in approximately September 2012 unless there is a requirement to meet earlier to review Council's investment policy.

7. **MEETING CLOSED**

Meeting closed at 11.50 am.