



Shire of Irwin Audit Committee Meeting

to be held in the Council Chambers

Tuesday, 11 February 2025

at 4.00pm

Agenda

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS
2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

Members

Cr I Scott	Shire of Irwin Councillor
Cr P Summers	Shire of Irwin Councillor
Cr B Wise	Shire of Irwin Councillor

Staff

Mr S D Ivers	Chief Executive Officer
Ms P Machaka	Manager Finance
Ms Suzzane Mearns	Executive Assistant
Mrs Kait Boonzaaier	Assistant Accountant
Ms Stephanie Clarkson	Senior Finance Officer

Apologies

Guests

Michael Liprino	Pitcher Partners (via Zoom)
Aiden Pramoko	Pitcher Partners (via Zoom)
Joanne Clark	Office of the Auditor General (via Zoom)

3. ELECTION OF AUDIT COMMITTEE CHAIRPERSON AND DEPUTY CHAIRPERSON

Nomination form provided with this Agenda.

4. CONFIRMATION OF MINUTES

4.1. Minutes of the Audit Committee Meeting held Wednesday, 17 April 2024.

A copy of the minutes of the Audit Committee Meeting held 17 April 2024 have been provided to all Committee Members under separate cover.

COMMITTEE MOTION:

MOVED: Cr _____

SECONDED: Cr _____

That the Minutes of the Audit Committee Meeting, held 17 April 2024, be confirmed as a true and accurate recording of that meeting.

5. NEW BUSINESS ITEMS

5.1. 2023/24 Annual Financial Statements and Independent Audit Report

Pitcher Partners, on behalf of the Office of the Auditor General, has completed the audit of the 2023/24 Annual Financial Statements. In the auditor's opinion, the financial report of the Shire of Irwin is based on proper accounts and records and fairly represents, in all material respects, the results of the operations of the Shire for the year ended 30 June 2024 and its financial position at the end of that period in accordance with the *Local Government Act 1995* and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

1. Excessive Leave Balances

Audit testing identified that a number of employees hold significant accrued annual leave balances, in excess of levels stipulated in the entity's policies and procedures/employee contracts.

There are increased cash flow risks and business disruption risks associated with employees accumulating large leave balances, if an employee or a number of employees leave the entity or take leave at similar times.

Furthermore, excessive leave balances may have adverse effects on the entity including:

- key staff not being rotated, a preventive control against fraud; and
- health and safety concerns with employees not taking their leave entitlements.

A new policy is underway which will aim to reduce the accumulation of excessive leave balances. As per the recommendation above, employees will be encouraged to either take their leave or cash payment to reduce their excessive leave.

2. Review of Monthly Debtor Reconciliations

Audit testing identified that during the year ended 30 June 2024, the Shire of Irwin had invoiced approximately \$263,065 in rates associated with the prior periods. These rates were levied as back charges as the Shire of Irwin had inadvertently failed to update the UV valuations for Mining Leases within its software package for levying rates.

Whilst not material, the circumstances in which the above has arose suggest that there is/was an oversight in the updating of UV Valuations within the Shire of Irwin's software suite. Similar failings in the future could lead to an under-collection of rates revenue for the Shire of Irwin and inability to utilise such funds in the delivery of its annual budget.

Due to the constant change of staff in the position of Rates Officer, it appears that the process of updating UV valuations was omitted.

The Shire has now revised its procedure for updating valuations into its financial system SynergySoft and has also put in place a new reconciliation which ensures that Synergy Soft Valuations are reconciled back to Landgate Values on a monthly basis.

Attachments

- 4.1.1 Audited Financial Statements
- 4.1.2 Independent Audit Opinion
- 4.1.3 Final Management Letter
- 4.1.4 Audit Closing Report

COMMITTEE MOTION:

MOVED: Cr _____

SECONDED: Cr _____

That the Shire of Irwin Audit Committee receives the information provided in the 2023/24 Annual Financial Statements and Independent Audit Report, provided as Attachments 4.1.1 and 4.1.2 respectively.

6. GENERAL BUSINESS

Nil.

7. URGENT BUSINESS APPROVED BY CHAIR OR BY COMMITTEE DECISION

Nil.

8. SETTING OF FUTURE MEETING DATES

9. CLOSURE