



# Shire of Irwin Audit Committee Meeting

held in the Council Chambers

Tuesday, 11 February 2025

## Minutes

### 1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

Cr Wyse, Presiding Member declared the meeting open at 4.01pm and welcomed Committee Members and Guests to the meeting.

### 2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

#### Members

Cr B Wyse

Cr I Scott

Cr P Summers

Shire of Irwin Councillor

Shire of Irwin Councillor (Via Zoom)

Shire of Irwin Councillor

#### Staff

Mr S D Ivers

Ms P Machaka

Ms Sue Mearns

Mrs Kait Boonzaaier

Ms Stephanie Clarkson

Chief Executive Officer

Manager Finance

Executive Assistant (Via Zoom)

Assistant Accountant

Senior Finance Officer

#### Apologies

Aiden Pramoko

Pitcher Partners

#### Guests

Michael Liprino

Joanne Clark

Pitcher Partners (via Zoom)

Office of the Auditor General (via Zoom)

### 3. CONFIRMATION OF MINUTES

#### 3.1. 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 DECISION:

**MOVED: Cr Summers**

**SECONDED: Cr Scott**

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

**Voting Details:**

**Carried: 3/0**

**For: Cr Scott, Cr Wyse, Cr Summers**

**Against: Nil**

## 4. NEW BUSINESS ITEMS

### 4.1. 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.*

#### Update of UV Valuations in SynergySoft

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 DECISION:**

**MOVED: Cr Summers**

**SECONDED: Cr Scott**

**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.**

**Voting Details:**

**Carried: 3/0**

**For: Cr Scott, Cr Wyse, Cr Summers**

**Against: Nil**

**5. GENERAL BUSINESS**

Nil

**6. URGENT BUSINESS APPROVED BY CHAIR OR BY COMMITTEE DECISION**

Nil

**7. SETTING OF FUTURE MEETING DATES**

Next meeting date TBC.

**8. CLOSURE**

There being no further business, the Presiding Member closed the meeting at 4.11pm.