



# Shire of Irwin Audit Committee Meeting

to be held in the Council Chambers

## Tuesday, 13 January 2026

at 4.00pm

### Agenda

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

#### Members

Cr A Gillam  
Cr P Summers  
Cr I Scott

Shire of Irwin Councillor  
Shire of Irwin Councillor  
Shire of Irwin Councillor

#### Staff

Mr S D Ivers  
Ms P Machaka  
Ms Suzanne Mearns

Chief Executive Officer  
Manager Finance  
Executive Assistant

#### Apologies

Nil

3. CONFIRMATION OF MINUTES

#### 3.1. Minutes of the Audit Committee Meeting held Tuesday, 13 May 2025.

A copy of the minutes of the Audit Committee Meeting held 13 May 2025 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 13 May 2025, be confirmed as a true and accurate recording of that meeting.

## 4. NEW BUSINESS ITEMS

### 4.1. 2024/25 Annual Financial Statements and Independent Audit Report

Pitcher Partners, on behalf of the Office of the Auditor General, has completed the audit of the 2024/25 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 2025 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 and long service leave balances, in excess of the 8 week (304 hours) level stipulated in the entity's policies and procedures/employee contracts.

Specifically, four employees were identified with annual leave balances greater than 304 hours (equivalent to eight weeks). The excess leave for these employees resulted in a provision of approximately \$74,183 relating to the annual leave hours above the 304-hour limit. Seven employees who are eligible to take their long service leave entitlement were identified with long service leave balances greater than 304 hours (equivalent to eight weeks). The excess leave for these employees resulted in a provision of approximately \$99,775 relating to the long service leave hours in excess of the 304-hour limit.

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.

Agreed action

*Following on from the prior financial year, management have implemented a plan to reduce leave balances. Some employees identified in the finding have already reduced their leave balances after June 2025. As recommended by the auditor, the Shire will consider implementing periodic reporting of high leave balances.*

#### Attachments

- Attachment 1: Audited Financial Statements
- Attachment 2: Independent Audit Opinion
- Attachment 3: Final Management Letter
- Attachment 4: Audit Closing Report

**COMMITTEE MOTION:**

**MOVED: Cr \_\_\_\_\_**

**SECONDED: Cr \_\_\_\_\_**

**That the Shire of Irwin Audit Committee receives the information provided in the 2024/25 Annual Financial Statements and Independent Audit Report, provided as Attachments 4.1.1 and 4.1.2 respectively.**

**That the Shire of Irwin Audit Committee recommends to Council that the 2024/25 Annual Financial Statements be adopted as part of the 2024/25 Annual Report, in accordance with *section 5.53 of the Local Government Act 1995 and regulation 50 of the Local Government (Financial Management) Regulations 1996.***

**5. GENERAL BUSINESS**

Nil.

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

Nil.

**7. SETTING OF FUTURE MEETING DATES**

**8. CLOSURE**