



Shire of Irwin Audit Committee Meeting

held in the Council Chambers

Tuesday, 13 January 2026

Minutes

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

Cr I Scott, Shire President, declared the meeting open at 4.06pm.

2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

Members

| | |
|--------------|---------------------------|
| Cr A Gillam | Shire of Irwin Councillor |
| Cr P Summers | Shire of Irwin Councillor |
| Cr I Scott | Shire of Irwin Councillor |

Staff

| | |
|-------------------|-------------------------|
| Mr S D Ivers | Chief Executive Officer |
| Ms P Machaka | Manager Finance |
| Ms Suzanne Mearns | Executive Assistant |

Apologies

Nil

Visitors

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 AND DECISION:

MOVED: Cr Summers

SECONDED: Cr Gillam

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

Voting Details:

Carried: 3/0

For: Cr Scott, Cr Gillam, Cr Summers

Against: Nil

4. NEW BUSINESS ITEMS

The CEO outlined to the Committee the areas of focus and conclusions reached by the Auditors and as contained in the Audit Closing Report prepared by Pitcher Partners.

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

Cr Gillam queried the statement "I did not receive the other information prior to the date of this auditor's report" on page 2 of the Independent Audit Opinion contained within Attachment 2, but was satisfied with an earlier clause stating "My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon". The 'other information' refers to other items in the Annual Report such as the President's Report, the Chief Executive Officer's report and so on.

COMMITTEE MOTION AND DECISION:

MOVED: Cr Summers

SECONDED: Cr Gillam

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.

Voting Details:

Carried: 3/0

For: Cr Scott, Cr Gillam, 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

To be confirmed.

8. CLOSURE

There being no further business, the Shire President closed the meeting at 4.28pm.