



Shire of Irwin Audit Committee Meeting

held in the Council Chambers

Monday, 11 December 2023

at 4.00pm

Minutes

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

Members

Cr I Scott (<i>Chairperson</i>)	Shire of Irwin Councillor
Cr B Wyse (<i>Deputy Chairperson</i>)	Shire of Irwin Councillor
Cr M Leonard	Shire of Irwin Councillor

Staff

Mr S D Ivers	Chief Executive Officer
Ms C Bates	Acting Executive Assistant

Apologies

Ms P Machaka	Manager Finance
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3. CONFIRMATION OF MINUTES

3.1. Minutes of the Audit Committee Meeting held Tuesday, 28 November 2023.

A copy of the minutes of the Audit Committee Meeting held 28 November 2023 have been provided to all Committee Members under separate cover.

COMMITTEE DECISION:

MOVED: Cr Wyse

SECONDED: Cr Leonard

That the Minutes of the Audit Committee Meeting, held 28 November 2023, be confirmed as a true and accurate recording of that meeting.

VOTING DETAILS:

Carried 3/0

4. NEW BUSINESS ITEMS

4.1. 2022/23 Annual Financial Statements and Independent Audit Report

Pitcher Partners, on behalf of the Office of the Auditor General, has completed the audit of the 2022/23 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 2023 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. Long outstanding trade and rates debtors

Currently holding a high proportion of long-outstanding trade and rates debtor balances at 30 June. In the absence of review, there is an increased risk to cashflow and may require in financial loss long-term.

During 2022/23 financial year the Shire's debt management process improved immensely, with several rate payers escalating to the legal process and Council approving one sale of land, to recover outstanding rates overdue by more than three years. Rates financial loss is minimal for Local Governments as the Local Government Act gives authority to Councils to recover outstanding debts through property seizure and Sale Order over land and goods. Many of the rates' debtors overdue by more than three years have been handed over to the Shire's debt collectors and are going through a legal process to recover debt.

Management will continue manage the debt recovery process to ensure consistency and will also conduct a review of the trade and other debtors to ensure its rationale for recognising expected credit losses is in accordance with AASB 9 Financial Instruments.

2. Review of Monthly Debtor Reconciliations

During the final audit visit, it was noted that the Debtors reconciliation report for June 2023 was not signed. Insufficient independent review of monthly debtor reconciliations increases the risk of errors or omissions occurring undetected which could result in misstatements to the financial statements.

Debtors reconciliation was missing a signature only for the month of June 2023, this was a one off occurrence and the matter was dealt with.

3. Review of Monthly Board Meeting Minutes

Audit procedures performed noted that there was no evidence of a consistent review of the monthly board meeting minutes from May 2023. This was identified during the final audit visit when published meeting minutes were reviewed and noted to have no signed review from the chairman.

4. Fair Value of infrastructure Assets

The Shire has not performed a robust fair value assessment in 2022-23 to determine whether its infrastructure assets represent fair value at the end of the reporting period. Regulation 17A(4)(b) of the FM Regulations requires a local government to revalue its revalued assets when it is of the opinion that the fair value is likely to be materially different to the carrying amount.

The Shire will comply with the fair value requirements of the updated FM Regulations for 2023-24 and onwards.

Attachments

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

COMMITTEE RECOMMENDATION AND COMMITTEE DECISION	
MOVED: Cr Leonard	SECONDED: Cr Wyse
That the Shire of Irwin Audit Committee receives the information provided in the 2022/23 Annual Financial Statement and Independent Audit Report, provided as Attachments 4.1.1 and 4.1.2 respectively.	
VOTING DETAILS:	Carried 3/0

5. GENERAL BUSINESS

Nil.

6. URGENT BUSINESS APPROVED BY CHAIR OR BY COMMITTEE DECISION

Nil.

7. SETTING OF FUTURE MEETING DATES

To be advised.

8. CLOSURE