

## SHIRE OF PLANTAGENET

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

## FINDINGS IDENTIFIED DURING THE FINAL AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Credit card transactions not reported to council	No	✓			
2. Review of monthly reconciliation – Debtors & Creditors	No		✓		
3. Asset Register	No		✓		

**Key to ratings**

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

**Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

**Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

**Minor** - Those findings that are not of primary concern but still warrant action being taken.

SHIRE OF PLANTAGENET

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

1. Credit card transactions not reported to council

**Finding**

During our review of the minutes from the Shire Council meetings, we observed that the accounts paid listing presented to the council did not include transactions made using credit cards or purchasing cards. This omission is not in compliance with Section 13A of the *Local Government Act (Financial Management) Regulations 1996*, which mandates that all accounts paid, including credit card transactions, must be listed. We did not identify any fraudulent transactions in our review of credit card or purchasing card transactions. We also note that the Shire has started presenting this information to Council in the November 2024 Council Meeting.

**Rating: Significant**

**Implication**

The exclusion of credit card and purchasing card transactions constitutes a Non-compliance with the Local Government (financial management) Regulations 1996 requirements and limits visibility into these transactions, increasing the risk of undetected errors, misuse, or fraud.

**Recommendation**

All corporate credit and purchasing card transactions be submitted to the council for review and approval at the meeting immediately following the payment of these cards. This practice will ensure compliance with the Local Government Financial Management Regulations and enhance transparency and accountability to both the council and the public.

**Management Comment**

*This requirement has been in place since September 2023 and unfortunately Plantagenet has been slow to implement. This has now been rectified, as is noted above.*

**Responsible Person:** Manager of Finance

**Completion Date:** November 2024

SHIRE OF PLANTAGENET

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

**2. Review of monthly reconciliation – Debtors & Creditors**

**Finding**

During our review of the monthly debtors and creditors reconciliation as of 30 June 2024, we observed that while the reconciliations were completed, there was no evidence to indicate that they had been independently reviewed. We note that the reconciliations were completed correctly, and no unreconciled balances were noted.

**Rating: Moderate**

**Implication**

Monthly Reconciliations are a key control for ensuring financial data is completely and accurately reflected in the general ledger from which financial statements are derived. The absence of a documented review process by the Shire over the reconciliations can result in errors or omissions remaining undetected, leading to misstatements in the financial statements.

**Recommendation**

We recommend management ensure monthly debtors and creditors reconciliations are appropriately reviewed in a timely manner.

**Management Comment**

*Reconciliations have all been completed and reviewed, however, there was a period where they were not reviewed in a timely manner.*

**Responsible Person:** Manager of Finance  
**Completion Date:** July 2024

**SHIRE OF PLANTAGENET**

**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2024**

**FINDINGS IDENTIFIED DURING THE FINAL AUDIT**

**3. Asset Register**

**Finding:**

During audit testing of ownership of assets recorded in the asset register the following was noted:

- The land at Lot 2208 & Lot 2026 (Plan 4690) Costello Road is not registered in the name of the Shire but appears on the asset register. According to Landgate the ownership of these properties has been with the current owners since 2014.
- The land at Lot 2083 (Plan 4693) Williams Road is not registered in the name of the Shire according to the Landgate register but appears on the asset register for the Shire.

These parcels of land are being carried for a value of \$25,000 and audit testing concluded no other parcels of land are shown on the Shire's asset register and not owned by the Shire.

**Rating: Moderate**

**Implication**

Asset transactions that are not recorded correctly or in a timely manner can result in the misstatement of asset values in the financial report.

**Recommendation**

Regular review and maintenance of the asset register to ensure that all asset transactions are recorded correctly and in a timely manner is essential to accurate reporting of asset values in the financial reports. Additionally, care must be taken when disposing of assets that have components in different asset groups to ensure that all asset register items are included in the disposal.

**Management Comment**

*Noted and agreed.*

*The three assets mentioned will be removed from the register.*

**Responsible Person:** Manager of Finance

**Completion Date:** 31 December 2024