

BUNBURY-HARVEY REGIONAL COUNCIL

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2018

FINDINGS IDENTIFIED DURING THE YEAR END AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Related Parties	√		
2. Aged Debtor Balance		√	

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.
- 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.

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1. RELATED PARTIES

We understand three councillors of Bunbury-Harvey Regional Council did not return their related party declarations relating to the year ended 30 June 2018.

**Rating: Significant
Implication**

Risk that related party transactions and balances are incomplete.

Recommendation

We recommend related party declarations be completed by all key management personnel.

Management Comment

Related party declarations were unable to be obtained from two Councillors (Cr's Monagle and McCleary) and one proxy (Cr Smith). As a result of not receiving the 2017/18 declarations the 2016/17 declaration from Cr Monagle and the 2017/18 declarations from Cr's McCleary and Smith for the City of Bunbury were used to access their related party interests.

The CEO will remind Councillors of the importance of providing their related party declarations.

Responsible Officer: **Tony Battersby, CEO**

Completion Date:

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2. AGED DEBTOR BALANCE

Our review of the aged debtors listing at 30 June 2018 identified a debtor (#4376) which continues to use the waste facility and pay cash at the gate, despite having a debtor balance owed since pre April 2017.

Rating: Moderate
Implication

Risk that debtor balance is not recoverable.

Recommendation

We recommend the debtor pay outstanding debtor balance before being able to use the waste facilities or the debt be written off in 2018/19.

Management Comment

Rural Rubbish and Recycling (Debtor #4376) owed \$4,410 as at 30 April 2017. As the debtor defaulted on several payment plans the debt was referred to Milton Graham (formerly Dunn & Bradstreet) in April 2017. As a result the debt has been reduced by \$400 to \$4,010 as at 19 October 2018.

The CEO has allowed Rural Rubbish and Recycling to continue trading on a cash only basis since July 2017. During this period \$8,334 casual tipping fees have been paid, an average monthly spent of \$500.

The outstanding debt is considered recoverable and the CEO will liaise with Rural Rubbish and Recycling to make arrangements to clear the outstanding balance.

Responsible Officer: **Tony Battersby, CEO**

Completion

Date:

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DRAFT