

**BUNBURY-HARVEY REGIONAL COUNCIL
EXIT MEETING AGENDA**

**Monday 13 December at 4.30pm
Bunbury-Harvey Regional Council Offices**

ATTENDEES:

Bunbury-Harvey Regional Council

Committee Members:

Cr Tresslyn Smith	City of Bunbury
Cr Karen Turner	City of Bunbury
Cr Ben Andrew	City of Bunbury
Cr John Bromham	Shire of Harvey
Cr Wendy Dickinson	Shire of Harvey
Cr Jaysen De San Miguel	City of Bunbury
Cr Dakota Krispyn	Shire of Harvey
Cr Gabi Ghasseb	City of Bunbury
Cr Kris Plumb	City of Bunbury

Support Staff/Visitors:

Mal Osborne	CEO City of Bunbury
Annie Riordan	CEO Shire of Harvey
Peter Keane	CEO BHRC
Kate Shaw	Acting CEO BHRC (25/10 to 12/12)
Karen McDonald	Manager Finance BHRC
Taryn York	Executive Assistant BHRC

AMD Chartered Accountants (via Teams):

Ms Maria Cavallo	Director
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Office of the Auditor General (via Teams):

Ms Carly Meagher	Director Financial Audit, Office of the Auditor General WA
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AGENDA ITEMS:

1. Audit Approach

Refer also attached Audit Planning Summary Dated May 2021, including Section 5 "Significant Risks" and Section 6 "Audit Emphasis and Significant Account Balances"

- Interim Visit / Testing Completed
- Year End Communications
- Final Visit / Testing Completed

2. Variations to Audit Plan (where applicable)

- No variations

3. Subsequent Events

- Discussion and reconfirmation regarding subsequent events.

4. Audit Issues

- Status of prior year audit issues:
 - Purchase Orders Dated After Invoice – resolved, no instances noted from the sample selected for testing during current year audit; and
 - High Leave Accruals at Year End – not resolved and re-raised per below.
- Status of audit issues reported at 2021 interim:
 - General Journals – Independent Review;
 - Payroll Masterfile Changes – Independent Review;
 - Non-Compliance with Local Government Act 1995 and Regulations 1996
 - Mandalay Summary Reports – Independent Review; and
 - No Agreement in Place with IT Service Provider.

Note that all recommendations has been implemented where possible.
- Audit issues reported in the current audit:
 - Auditors Not Notified of DWER Breach; and
 - High Leave Accruals at Year End.

5. Audit Report

Refer DRAFT Audit Report attached

- Opinion Qualification Matters (where applicable):
 - No qualifications to audit opinion.
- Report on Other Matters:
 - **One adverse ratio:**
 - i. Operating surplus ratio as reported in Note 24 of the financial report is below the Department of Local Government, Sport and Cultural Industries (DLGSCI) standard of zero for the last three years (2019: -0.16, 2020: -0.16 and 2021: -0.15).
 - **Matters of Non-Compliance with Part 6 of Act:**
 - i. Accounting journal entries were processed with no evidence of independent review and approval by a senior staff member. Accounting journals can represent significant adjustments to previously approved accounting transactions, and should therefore be independently reviewed and approved with evidence of this review being retained;
 - ii. Changes made to the payroll masterfiles were not independently reviewed and authorised. This increases the risk of unauthorised changes to key information, although our audit sampling did not identify any.

6. Issues Relevant To Next Audit

None.

7. Close