

BUNBURY-HARVEY REGIONAL COUNCIL
PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2023
FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

INDEX OF FINDINGS	RATING		
	Significant	Moderate	Minor
1. Petty cash controls			✓
2. Financial report submission			✓

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 may be reported as a matter of non-compliance in the audit report 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 report, 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.

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1. PETTY CASH CONTROLS

Finding 2023

During our review of petty cash controls, we noted that not all invoices are retained with the petty cash reconciliation.

Rating: Minor

Implication

Increased risk of error and fraud.

Recommendation

We recommend that all invoices supporting petty cash transactions be retained with the petty cash reconciliation.

Management Comment

In blue italics

Responsible Person:

Completion Date:

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2. FINANCIAL REPORT SUBMISSION

Finding 2023

Local Government (Financial Management) Regulations 1996 section 51(2) requires the Council to submit its Annual Financial Report to the Department of Local Government within 30 days of receipt of the audit report.

During our review, we noted that the 21/22 Financial Report was submitted on 27 March 2023, which is 74 days after the date of the audit report.

Rating: Minor

Implication

Non-compliance with *Local Government (Financial Management) Regulations 1996 section 51(2)*.

Recommendation

We recommend that Management ensures the Financial Report is submitted to the Department of Local Government within 30 days of receipt of the audit report, as required by *Local Government (Financial Management) Regulations 1996 section 51(2)*.

Management Comment

In blue italics

Responsible Person:

Completion Date: