

Shire of Coolgardie 2017/18 Audit Management Report Action List

Matter Raised	Area of Concern	Action Taken / Proposed Action	Measurement of Success
Fixed Asset Register	The Shire's fixed asset register and asset management software were not updated following management's review of the remaining useful life assessments of the Shire's road assets during the previous financial year. As a result, depreciation calculations for road assets as presented to us were incorrect.	Implementation of Month End Checklist. Training for staff in the asset management software.	Completion of monthly asset reconciliations, including depreciation calculated that reconcile between asset management & accounting software.
Fair Value Accounting for Infrastructure Assets	Fair value accounting for infrastructure assets as required by AASB 13 and Local Government (Financial Management) Regulation 17(A) as presented to us was incorrect. ⁹	Reputable consultant to be engaged to complete fair values for all infrastructure.	Completion of fair value transactions in accordance with the standards and fair values corrected entered in accounting software.
Municipal Bank Reconciliation	The Municipal bank reconciliation did not reconcile and was not picked up until it was highlighted during our year end audit visit.	Bank reconciliations now completed manually. Implementation of Month End Checklist.	Bank accounts balanced to general ledger every month. Completion of Month End Checklist with minimal errors or discrepancies
Reserve Bank Reconciliation	The Bank reconciliation for the Shire's Reserve accounts had not been completed.	Bank reconciliations now completed manually. Implementation of Month End Checklist.	Bank accounts balanced to general ledger every month. Completion of Month End Checklist with minimal errors or discrepancies
Regional Records Facility	Joint venture's transactions in respect of the regional records facility were incorrectly accounted for within the Shire's book including the joint venture's bank account which was incorrectly included on the Shire's balance sheet.	All transactions for Regional Records Facility now recorded separately and shown in Trust.	Transactions not included within the Shire's normal trading activities.

Matter Raised	Area of Concern	Proposed Action	Measurement of Success
Accounting Treatment for Accruals	Accounting for accruals, including salaries & wages and interest on borrowings, was not completed properly or at all until after we raised queries.	Implementation of Month End Checklist and Year End Checklist.	Correct treatment of accruals for creditors, salaries & interest on borrowing at year end.
Calculation of Leave Provisions	Calculations for the Shire's provisions for annual leave and long service leave calculations were not completed correctly and were subsequently adjusted post audit review.	Matter raised was only minor and leave calculations will continue to be calculated at least annually.	Calculation of leave provisions to reflect current leave schedules at current rates of pay & service.
Staffing	Completion of financial balances and procedures	Implementation of Month End Checklist. Additional training for staff as required.	Completion of Month End Checklist with minimal errors or discrepancies Ability to complete tasks as required
Operating Surplus Ratio	The Shire's ratio (after adjustment for FAGs) has slightly improved in the current year from (0.42) to (0.40) but has been negative for the last five years.	Identify opportunities to increase revenue and reduce expenditure to a sustainable level.	Continual improvement and ultimately trying to achieve the recommended target level of 0.15
Asset Sustainability Ratio	This ratio has deteriorated in the current year from 0.39 to 0.27, and has been below the Department of Local Government, Sport and Cultural Industries target level of 0.90 for the past 5 years.	Continual review of infrastructure fair values, depreciation rates and the Shire's commitment to capital renewal programs.	Continual improvement and ultimately trying to achieve the recommended target level of 0.90
Asset Sustainability Ratio	Council should consider reviewing its Asset Management plans, to help the Shire more accurately determine the required capital renewal expenditure over the next 10 years in line with its Long Term Financial Plan	Asset Management and Long Term Financial Plans to be updated in line with current financial years.	Council to adopt the Long Term Financial Plan in the 2018/19 financial year and the Asset Management Plan to be implemented on completion of LTFFP