

SHIRE OF CRANBROOK - FINANCIAL MANAGEMENT REVIEW done by DARREN LONG CONSULTING May 2023

Recommendation	Response	To be Reviewed prior to December 2023 Audit Committee Meeting
(1) That the relevant information on rate payment incentives be collected so the appropriate disclosure can be made in the 2023/2024 annual budget.	Agreed	
(2) That the relevant information on rate payment incentives be collected so the appropriate disclosure can be made in the 2022/2023 annual financial report.	Agreed	
(3) That the relevant information on concessions on fees and charges provided under Delegation 1.90 be collected so the appropriate disclosure can be made in the 2022/2023 annual financial report.	Agreed	
(4) That the relevant information on waivers of fees and charges provided for under Policy 4.12 be collected so the appropriate disclosure can be made in the 2022/2023 annual financial report.	The CEO has some delegation in this regard but the demand for "free" use of facilities and equipment has increased, and whilst advice is given that the CEO cannot "waive" fees and charges, this procedure will allow us to monitor the cost of providing free services to community groups.	
(5) That Council pass a separate resolution for the imposition of interest on money (other than rates and service charges) owed to the local government, under Section 6.13(2) of the <i>Local Government Act</i> as part of its budget adoption process.	Agreed	
(6) That the rate of interest imposed on money owing to the Shire (other than rates and service charges) be listed in the Schedule of Fees and Charges.	Agreed	

(7) That the CEO implement a register of rate exempt properties, with a procedure where periodic reviews are conducted every 2 years.	Agreed and Register has now been completed. This can be brought back to the December 2023 Audit and Risk Committee meeting and in future will be reviewed by Council prior to Rates being issued.	
(8) That the CEO implement new internal control procedures to ensure a copy of all debtor invoices are printed and filed along with debtor invoice supporting documentation.	Supporting documentation is provided and loaded onto Synergy. This recommendation	
(9) That the CEO implement new internal control procedures for accounts receivable where the finance officer debtors signs and dates the debtor batch transaction listing report.	Agreed.	
(10) That the CEO implement new internal control procedures for accounts receivable to ensure a count of the administration office cash register float is performed each day as part of the End of Day Cash Register reconciliation by two employees. This approach provides for sound internal controls through good cash handling and cash hand-over procedures through verification by two officers.	Discussed and a procedure initiated where two employees are part of the End of Day Cash Register reconciliation. NB Cash received is minor outside of the Rates period.	
(11) That the CEO obtain regular reports from the external IT provider that data backups have been validated and ensure an annual test of a full system restore is performed.	IT Continuity Plan is being drafted, with a concentration on cyber security. A full system restore is being discussed with our provider. Still seeking assurance that this is needed as we receive monthly detailed reports on the state of our systems.	
(12) That the CEO implement new internal control procedures for accounts payable to ensure the ordering officer certifies good/services have been rendered, and a separate officer authorises the supplier invoice for payment. This practice will provide adequate separation of roles.	Often the manager authorising is the initiator of the purchase so it is OK for the two signatures - if however, there is a split in duties, then two different signatures is maintained.	

(13) That the CEO implement new internal control procedures for accounts payable requiring a copy of the purchase order to be attached to each supplier invoice.	Against our paperless policy, documents are attached on Synergy but not on hard copy.	
(14) That the CEO consider implementing new internal control procedures for accounts payable where the purchase order contains a summary table of the quotations obtained to show compliance with the purchasing thresholds in Council's purchasing policy 4.8.	Quotations must be attached in Synergy.	
(15) That the CEO implement new internal control procedures for accounts payable where the finance officer creditors signs and dates the creditor batch transaction listing report.	Agreed.	
(16) That the CEO consider amending Delegation 1.32 to incorporate the positions/employees who are authorised signatories to approve electronic payments or sign cheques from the Municipal or Trust Funds, and the limit applicable to each position (if any).	Agreed.	
(17) That Council place a priority on the review of its informing strategies required under <i>Local Government (Administration) Regulation 19DA(3)(c)</i> .	Agreed.	
(18) That the CEO prepare a report for Council to consider what action, if any, needs to be taken to address the weaknesses identified in relation to the Internal Control Evaluation.	Agreed.	
(19) That Council consider the suitability of the model policies provided.	A complete change in our Policies would take a great deal of time. We are proposing an intense review of it and our Delegations Register will be performed in 2024 through a consultant working with staff. Currently we meet the required compliance.	