

Item 8.4 Queensland Audit Office – First Interim Management Report for the financial year ended 30 June 2021

24 June 2021

Queensland Audit Office (QAO)

First Interim Management Report for the financial year ended 30 June 2021

Audit Schedule

- Planning (Dec 2020)
- **1st Interim (Mar 2021)**
 - **Assessment of control environment**
 - **Covers July 2020 to Feb 2021**
- 2nd Interim (June 2021)
 - Covers Mar 2021 to May 2021
- Asset Valuation (July 2021)
- Final (Sep 2021)

Legislative Requirements

- Statutory obligation to prepare General Purpose Financial Statements subject to audit by the Qld Auditor General (or representative)
- Audit Reports are first presented to Council's Audit Committee
- Section 213(3) of the *Local Government Regulation 2012* requires that the report be presented at the next ordinary meeting of Council

Results of QAO 1st Interim Audit 2021

The First Interim Audit considered the design and implementation of Council's internal controls and whether they were operating effectively. As well as testing the areas of revenue, expenditure, payroll and IT systems, work was also undertaken over areas of audit significance such as revenue recognition of infrastructure charges.

ITEM	STATUS
Internal Control Assessment	Partially effective
Financial reporting issues	Nil
Areas of audit significance	On track
Milestones	On track

The interim audit result confirmed Council's overall control framework as partially effective meaning, that while outstanding matters are still being addressed, the environment supports an audit strategy that can rely upon these controls.

Critical Dates

- June 2021 – 2nd Interim Audit
- July 2021 – Asset Valuation Audit
- September 2021 – Final Audit
- October 2021 – Council certification of the 2020/21 financial statements and current year financial sustainability statement
- November 2021 - Council adoption of the 2020/21 audited financial statements
- Early 2022 – QAO Report to Parliament on the results of local government audits

Implementation

All identified issues will be stored in Council’s Corporate Reporting System with implementation to be monitored by the Audit Committee.

Officer Recommendation

That Council receive and note the report titled “Queensland Audit Office – First Interim Management Report for the financial year ended 30 June 2021”.

Thank you.



See council's website for further details
www.sunshinecoast.qld.gov.au