

SHIRE OF DUNDAS

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2021

FINDING IDENTIFIED DURING THE FINAL AUDIT

INDEX OF FINDING	RATING		
	Significant	Moderate	Minor
1. Security Deposits Incorrectly Banked to the Trust Bank Account		✓	

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.

SHIRE OF DUNDAS

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1. Security Deposits Incorrectly Banked to the Trust Bank Account

Finding

We noted that funds received in relation to security deposits held are not banked into the municipal bank account and instead are being banked to the trust bank account.

Rating: Moderate

Implication

Security deposits without specific customer mandate are deemed to be non-trust monies and required to be banked to the municipal account. The Shire has not complied with the legislation relating to accounting for trust monies.

Recommendation

Management should clear the funds relating to security deposits from the trust bank account by transferring the necessary funds to the municipal bank account.

Management Comment

We will close the Trust Bank Account and move all the fund into the municipal account by the end of this financial year.

Future deposits will then go into the Municipal Account.

Responsible Person: Peter Fitchat
Completion Date: 30th June 2022