

Attachment B for Audit Committee meeting of 27 January 2019

District Council of Coober Pedy

Work Plan to rectify deficiencies identified in the audit of Council's 2016/17 Financial Statements

<i>Identified Deficiency</i>	<i>Action to Rectify</i>	<i>Progress to Rectify</i>	<i>Date Complete</i>
1. Valuation, existence and completeness of property plant and equipment.	<p>This specifically related to transport assets but there are also issues with water, sewerage and electricity assets being identified in the Asset Register at a highly aggregated level which is not conducive to effective management of the assets. An external consultant has been engaged to carry out an Asset Management project to:</p> <ul style="list-style-type: none"> a. Improve the quality of Council's asset register; b. Develop an updated Asset Management Plan; and c. Develop appropriate asset management policies. 	<p>Asset Management Policy developed and adopted by Council on 29 August 2018. Council has subscribed to the Institute of Public Works Engineering Australia's National Asset Management Strategy program which provides tools for developing asset management plans. These tools have been received and will form the basis for developing sound asset management plans for all of the Council's assets.</p> <p>A workshop was held with Council's managers in August 2018 in relation to strategic planning and the importance of asset management planning was discussed. Updated asset registers and asset management plans will be a focus in 2019.</p>	
2. Accuracy and completeness of depreciation.	<p>Linked with 1. above and will be resolved through the Asset Management project.</p>	<p>Asset revaluation of transport assets to be completed prior to 30 June 2019. All other asset classes to be reviewed to ensure that the depreciation charges for 2018/19 are firmly based.</p>	

3. Existence and valuation of inventory.	Initiate monthly stocktakes until receipt and issue of stores is resolved, then move to quarterly stocktakes. Minimise stock holdings and write off obsolete stock.	Stock account for 2017/18 reconciled and completed. Some significant write-offs were necessary due to poor record keeping.	
4. Recoverability of electricity debtors.	Work with State Government and, potentially ESCOSA, on appropriate policies and actions to recover or minimise debts.	Currently in discussion with State Government on clarification of actions Council can take to minimise debtor issues. This includes writing off irrecoverable debts.	
5. Accuracy of the tax liability.	None required – the ATO Portal was in error, not Council. Auditors went with ATO portal, as they should have, but the ATO error has now been rectified and the ATO portal and DCCP's ledger are in agreement.	Finalised	September 2018
6. Internal Control framework	External consultant has been engaged to develop a suitable internal control framework for Council. Note that this is a specific item for review by the Audit Committee on its 2019 work program.	The external consultant has conducted an initial survey of Council's existing internal controls. A report on the survey will be available shortly.	