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Dear President McKenzie

### **2020-21 ANNUAL FINANCIAL AUDIT REPORT DELAY FOR SHIRE OF MERRREDIN**

Under section 7.9 of the *Local Government Act 1995*, I am required to prepare a report by 31 December on my Office's audit of your entity's annual financial report for the 2020-21 financial year.

I am aware my Office will not deliver this report to you within the stipulated timeframe. Yours is one of a number of our local government audits that have been delayed this year. This is largely due to increasingly complex reporting and audit issues contributing to longer audits across the entire public sector. Other factors contributing to these delays include the carryover work of some significant findings in our State sector audits, and the quality of financial records and availability of staff in a number of local government entities which has affected our teams' ability to finalise audits sooner. Some entities have also requested to have their exit meeting postponed to February 2022, while some others have sought extensions from the Department of Local Government, Sport and Cultural Industries.

In addition, COVID-19 border closures have resulted in a labour shortage in the audit profession, and while some other audit offices throughout Australasia have been granted extended reporting deadlines through legislative amendments, this has not occurred in Western Australia. My Office will formally communicate these impacts to Government and our parliamentary committees.

I do regret our inability to provide your audit report prior to year-end, as it has flow-on consequences for us all, and I thank you for your understanding. My Office aims to finalise your audit and deliver it to you as soon as practicable, understanding that many of our auditors will be taking well-earned leave throughout January 2022 following gruelling audit seasons. I also appreciate the support of your staff providing any outstanding audit information to our Office (or contract audit firm) when it can be collated. I recognise your team may also be taking a much needed break in this period.

I would welcome a debrief between council staff and our audit team following the audit to discuss ways we may be able to improve our respective processes to ensure timely delivery next year. I continue to engage with Government on reporting requirements for the sector.


A copy of this letter has also been sent to your CEO, Ms Lisa Clack.

I extend my very best wishes to you, your staff and all in your community for a very Merry Christmas and pleasant and restful festive period.


Yours faithfully



**Caroline Spencer**  
Auditor General for Western Australia  
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The Office of the Auditor General acknowledges the traditional custodians of Western Australia and their continuing connection to the land, waters and community. We pay our respect to all members of the Aboriginal communities and their cultures, and to Elders both past and present.



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