Key lapses

The Auditor-General's official audit highlighted five major lapses of the WP-run town council:

1 Management of sinking funds*

- Failed to make required transfers to sinking fund bank accounts for last three quarters of FY2011/12
- Transfers made for FY2012/13 were late and under the required amounts

2 Related party transactions

- Failed to fully disclose related party transactions
- Inadequate governance to manage conflicts of interests

3 Management of arrears

- No system to monitor the scale of conservancy & service arrears accurately
- Significant discrepancies in different arrears reports

4 Internal controls and procurement

- Failed to comply with Town Councils Financial Rules for approvals of procurement

5 Accounting systems

- Amounts collected and paid out not properly recorded and accounted for

** Sinking funds cannot be used to pay for daily operating expenses, and must be separately maintained for long-term projects*

Source: Auditor-General's Office