



NOTICE OF MEETING

Dear Committee Members

I respectfully advise that the AUDIT AND RISK COMMITTEE MEETING will be held in Council Chambers, York Town Hall, York on Tuesday, 10 June 2025, commencing at 3:00pm.

MEETING AGENDA ATTACHED

ALINA BEHAN
ACTING CHIEF EXECUTIVE OFFICER
Date: 6 June 2025

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1 OPENING**1.1 Declaration of Opening****1.2 Acknowledgement/Disclaimer**

The Presiding Member advises the following:

“The Shire of York Audit & Risk Committee acknowledges the Ballardong people of the Noongar Nation who are the Traditional Owners of the country where this meeting is being held and recognise their continuing connection to land, water, sky and culture. We pay our respects to all these people and their Elders past, present and emerging.

In accordance with Regulations 14I and 14J of the Local Government (Administration) Regulations 1996, notice is given that this meeting is being video and audio recorded to facilitate community participation and for minute-taking purposes. By being present at a meeting, members of the public consent to the possibility that their image and voice may be recorded. Audio recordings are published on the Shire’s website following the meeting and may be released upon request to third parties.

Members of the public are reminded that, in accordance with Section 6.16 of the Shire of York Local Government (Council Meetings) Local Law 2016, nobody shall use any visual or vocal recording device or instrument to record the proceedings of the Audit & Risk Committee without the written permission of the Presiding Member.

I wish to draw attention to the Disclaimer Notice contained within the agenda document and advise members of the public that any decisions made at the meeting today can be revoked in accordance with Regulation 10 of the Local Government (Administration) Regulations 1996. Therefore, members of the public should not rely on any decisions until formal notification in writing from the Shire has been received.

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1.3 Attendance via Electronic Means**1.4 Standing Orders****1.5 Announcement of Visitors****1.6 Declarations of Proximity Interest**

Name	Item No & Title	Nature of Interest (and extent, where appropriate)

1.7 Declaration of Financial Interests

Name	Item No & Title	Nature of Interest (and extent, where appropriate)

1.8 Disclosure of Interests that may affect Impartiality

Name	Item No & Title	Nature of Interest (and extent, where appropriate)

2 ATTENDANCE

2.1 Members

2.2 Staff

2.3 Apologies

Chris Linnell, Chief Executive Officer - 10 March 2025 to 7 July 2025 inclusive

2.4 Leave of Absence Previously Approved

2.5 Number of People in the Gallery at Commencement of Meeting

3 QUESTIONS FROM PREVIOUS MEETINGS**4 PUBLIC QUESTION TIME**

Public Question Time is conducted in accordance with the Act and Regulations. In addition to this the Shire's *Local Government (Council Meetings) Local Law 2016* states –

6.7 Other procedures for question time for the public

- (1) A member of the public who wishes to ask a question during question time must identify themselves and register with a Council Officer immediately prior to the meeting.
- (2) A question may be taken on notice by the Council for later response.
- (3) When a question is taken on notice the CEO is to ensure that—
 - (a) a response is given to the member of the public in writing; and
 - (b) a summary of the response is included in the agenda of the next meeting of the Council.
- (4) Where a question relating to a matter in which a relevant person has an interest is directed to the relevant person, the relevant person is to—
 - (a) declare that he or she has an interest in the matter; and
 - (b) allow another person to respond to the question.
- (5) Each member of the public with a question is entitled to ask up to 2 questions before other members of the public will be invited to ask their questions.
- (6) Where a member of the public provides written questions then the Presiding Member may elect for the questions to be responded to as normal business correspondence.
- (7) The Presiding Member may decide that a public question shall not be responded to where—
 - (a) the same or similar question was asked at a previous meeting, a response was provided and the member of the public is directed to the minutes of the meeting at which the response was provided;

- (b) the member of the public uses public question time to make a statement, provided that the Presiding Member has taken all reasonable steps to assist the member of the public to phrase the statement as a question; or
 - (c) the member of the public asks a question that is offensive or defamatory in nature, provided that the Presiding Member has taken all reasonable steps to assist the member of the public to phrase the question in a manner that is not offensive or defamatory.
- (8) A member of the public shall have 2 minutes to submit a question.
 - (9) The Council, by resolution, may agree to extend public question time.
 - (10) Where any questions remain unasked at the end of public question time they may be submitted to the CEO who will reply in writing and include the questions and answers in the agenda for the next ordinary Council meeting.
 - (11) Where an answer to a question is given at a meeting, a summary of the question and the answer is to be included in the minutes.

4.1 Written Questions – Current Agenda

4.2 Public Question Time

5 APPLICATIONS FOR LEAVE OF ABSENCE

6 PRESENTATIONS

7 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

Audit and Risk Committee Meeting - 11 March 2025

Confirmation

That the minutes of the Audit and Risk Committee Meeting held on 11 March 2025 be confirmed as a correct record of proceedings.

8 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

9 OFFICER'S REPORTS

9.1 APPOINTMENT OF INDEPENDENT PRESIDING MEMBER AND DEPUTY PRESIDING MEMBER TO THE AUDIT AND RISK COMMITTEE, REVIEW OF TERMS OF REFERENCE AND EXPRESSIONS OF INTEREST FOR EXTERNAL MEMBERS

File Number:	4.9510
Author:	Vanessa Green, Council & Executive Support Officer
Authoriser:	Alina Behan, Acting Chief Executive Officer
Previously before Council:	Not applicable
Disclosure of Interest:	Nil
Appendices:	1. Terms of Reference Review ↓

NATURE OF COUNCIL'S ROLE IN THE MATTER

Legislative

PURPOSE OF REPORT

This report details the requirements for the appointment of an Independent Presiding Member and Deputy Presiding Member to the Shire's Audit & Risk Committee, and a review of the Audit & Risk Committee's Terms of Reference (ToR) to reflect legislative changes.

BACKGROUND

Amendments to Section 5.12 of the *Local Government Act 1995* require Councils to appoint new Committee Presiding Members and Deputy Presiding Members by 1 July 2025. This is opposed to the previous arrangement where the Committee appointed the Presiding Member and Deputy Presiding Member itself. These appointments must be made by an Absolute Majority decision of Council from this point forward.

The change was introduced to assist the local government sector in removing the need for the conduct of a secret preferential ballot at a committee meeting, and to give Council's the role of deciding the leadership of Council Committees.

Separately, once Section 87 of the *Local Government Amendment Act 2024* commences, local governments will be required to appoint an independent person to the roles of Presiding Member and Deputy Presiding Member of the newly named Audit, Risk and Improvement Committee (ARIC).

Having an independent Presiding Member is designed to ensure a level of neutrality and impartial oversight in chairing these meetings. An independent Presiding Member must be a person who is not a Council Member of a local government or an employee of the local government. If a Deputy Presiding Member is appointed, they must also be independent.

While there is currently no requirement for an independent Presiding Member and Deputy Presiding Member to be appointed to an existing Audit Committee by 1 July 2025, local governments may opt to appoint an independent Presiding Member and Deputy Presiding Member at the same time as Council making the appointment of its Committee Presiding Members in accordance with amended Section 5.12, in anticipation of the changes to avoid duplication once Section 87 commences.

COMMENTS AND DETAILS

The Shire has had independent members on its Audit & Risk Committee since 2021. These members are appointed via an Expression of Interest (EOI) process, with selection criteria to be addressed confirming the independent member's skills, knowledge and experience in local government audit committees. The Shire appreciates the oversight and expertise the external members bring to the Audit & Risk Committee and its operations.

Both external members have been consulted and are happy to undertake the role of Presiding Member and Deputy Presiding Member.

To address the legislative changes to audit committees, the TOR has been reviewed and a copy is presented in Appendix 1.

The current external members' tenure ceases at the October 2025 Ordinary Local Government Elections. Therefore, the next EOI process will commence in July 2025, with the Committee to consider the nominations received at its September Ordinary Meeting. That will enable Council to consider the appointments to be effective following the October 2025 Ordinary Local Government Election, noting that the external members appointed will be required to perform the roles of Presiding Member and Deputy Presiding Member of the ARIC.

OPTIONS

The Audit & Risk Committee has the following options:

Option 1: The Audit & Risk Committee could choose not to recommend the appointment of an independent Presiding Member and Deputy Presiding Member, nor adopt the reviewed ToR but direct the Chief Executive Officer to commence the advertising process seeking external members to the Audit and Risk Committee with appointments effective from the October Ordinary Elections.

Option 2: The Audit & Risk Committee could choose to recommend Council appoint an independent Presiding Member and Deputy Presiding Member, adopt the reviewed ToR and direct the Chief Executive Officer to commence the advertising process seeking external members to the ARIC with appointments effective from the October Ordinary Elections.

Option 2 is the recommended option.

IMPLICATIONS TO CONSIDER

Consultative

Council's Audit & Risk Committee External Members

Executive Leadership Team

Department of Local Government

Strategic

Council Plan 2025-2035

Pillar 5: Strong governance, responsive leadership

Community-informed, responsive leadership and strong governance

Policy Related

E1 Code of Conduct – Council Members, Committee Members & Candidates

Financial

External members are paid a meeting sitting fee in accordance with Council resolution 100324 and the Salaries and Allowances Tribunal Determination, which is currently \$172 per meeting. The Salaries and Allowances Tribunal Determination released on 4 April 2025, effective from 1 July 2025,

provides the sitting fee for Independent Committee Members for Bands 1-4 local governments as being between \$0 to \$450 per meeting.

While the April 2025 Determination is silent on a separate and/or increased fee being paid for Independent Members fulfilling the role of Chair it is noted that the Tribunal will determine rates with respect to this at a future date, to coincide with the commencement of the legislative changes. In the interim, to recognise the additional workload associated with performing the Presiding Member role, the sitting fee payable to the Presiding Member per meeting is recommended to increase to \$250 per meeting. This would be reviewed once the Salaries and Allowances Tribunal have released its Determination on the matter. The impact of the increase in Presiding Member sitting fees is approximately \$300-500 per financial year depending on the number of meetings held.

Legal and Statutory

Sections 5.12 to 5.14 of the *Local Government Act 1995* are applicable and state:

“5.12. Presiding members and deputies

- (1) *The local government must appoint* a member of a committee to be the presiding member of the committee.*

** Absolute majority required.*

- (2) *The local government may appoint* a member of a committee to be the deputy presiding member of the committee.*

** Absolute majority required.*

5.13. Deputy presiding members, functions of

If, in relation to the presiding member of a committee —

- (a) *the office of presiding member is vacant; or*
- (b) *the presiding member is not available or is unable or unwilling to perform the functions of presiding member,*

then the deputy presiding member, if any, may perform the functions of presiding member.

5.14. Who acts if no presiding member

If, in relation to the presiding member of a committee —

- (a) *the office of presiding member and the office of deputy presiding member are vacant; or*
- (b) *the presiding member and the deputy presiding member, if any, are not available or are unable or unwilling to perform the functions of presiding member,*

then the committee members present at the meeting are to choose one of themselves to preside at the meeting.”

It will be a requirement to change the name, update the terms of reference and appoint an independent presiding member for an Audit, Risk and Improvement Committee once [Section 87](#) of the *Local Government Amendment Act 2024* commences. This Section is yet to be commenced as Regulations need to be drafted to give these provisions effect. However, Council could choose to appoint its independent Presiding Member and Deputy Presiding Member now in anticipation of the changes.

It is therefore recommended to appoint the independent Presiding Member and Deputy Presiding Member at the same time as Council making the appointment in accordance with Section 5.12, in anticipation of the additional legislative changes to avoid duplication once Section 87 commences.

Risk Related

The introduction of an independent Presiding Member provides an opportunity for increased community confidence in a local government's financial and risk management, reducing reputational risk.

By appointing an independent Presiding Member and Deputy Presiding Member, the Audit & Risk Committee and Council will mitigate its risk of non-compliance with the new legislative requirements.

Workforce

The scope of this report is managed within current operational capacity.

VOTING REQUIREMENTS

Absolute Majority: Yes

RECOMMENDATION

That, with regard to Appointment of Independent Presiding Member and Deputy Presiding Member to the Audit and Risk Committee, review of Terms of Reference and Expressions of Interest for external members, the Audit and Risk Committee recommends that Council:

- 1. Notes the change of title of Council's Audit and Risk Committee to the Audit, Risk and Improvement Committee.**
- 2. Adopts the reviewed Terms of Reference for the Audit, Risk and Improvement Committee, as presented in Appendix 1.**
- 3. Appoints Shona Zulsdorf as the Presiding Member and Justin Lee as the Deputy Presiding Member of the Shire of York Audit, Risk and Improvement Committee.**
- 4. Approves the meeting sitting fee for the Presiding Member of the Shire of York Audit, Risk and Improvement Committee of \$250, to be reviewed once the Salaries and Allowances Tribunal has released its Determination on the matter.**
- 5. Directs the Chief Executive Officer to advertise for the external members of the Shire of York Audit, Risk and Improvement Committee, with the nominations to be presented to the Audit, Risk and Improvement Committee's September 2025 Ordinary Meeting, noting the anticipated appointment will be effective from the October 2025 Ordinary Local Government Election.**

Audit, Risk & Improvement Committee Terms of Reference



Councillors	<ul style="list-style-type: none"> Up to three (3) Councillors as nominated by Council where two (2) external representatives are appointed; or Up to four (4) Councillors as nominated by Council where one (1) external representative is appointed; or nominated by Council where no external representative is able to be appointed
Deputies/Proxies	<ul style="list-style-type: none"> All other Councillors are appointed as a Deputy/Proxy to a Member Councillor in the case of a Leave of Absence or Apology
External Representation	<ul style="list-style-type: none"> Up to two (2) external members appointed through a competitive advertising process
5 x Shire Staff (non-voting)	<ul style="list-style-type: none"> Chief Executive Officer Executive Manager, Corporate & Community Services Executive Manager, Infrastructure & Development Services Finance Manager Finance Council & Executive Support Officer
Officer Responsible	<ul style="list-style-type: none"> Council & Executive Support Officer
Meeting Schedule	<ul style="list-style-type: none"> At least Quarterly
Meeting Location	<ul style="list-style-type: none"> Council Chambers, York Town Hall
Quorum	<ul style="list-style-type: none"> As per Section 5.19 of the <i>Local Government Act 1995</i>
Delegated Authority	<ul style="list-style-type: none"> Nil

1. Name

The name of the Committee is the Audit, Risk & Improvement Committee (~~the Committee~~ ARIC).

2. District/Area of Control

Local Government boundaries of the Shire of York.

3. Vision/Purpose

The ~~Committee~~ ARIC plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, legislative compliance, ethical accountability and the internal and external audit functions.

The Committee has the responsibility to:

1. Review the internal and external auditor's annual audit plans and the outcomes/results of all audits undertaken;
2. Request the CEO to seek information or advice in relation to matters considered by the ~~Committee~~ ARIC;
3. Formally meet with internal and external auditors as necessary;
4. Seek resolution on any disagreements between management and the external auditors on financial reporting; and

Audit & Risk & Improvement Committee Terms of Reference



5. Make recommendations to Council with regards to matters within its scope of responsibility.

This Terms of Reference ("ToR") sets out the objectives, authority, membership, role, responsibilities and operation of the Committee.

4. Statute

Section 7.1A of the *Local Government Act 1995* (the Act) requires that all local governments establish an audit committee.

The Shire of York *Local Government (Council Meetings) Local Law 2016* applies.

5. Establishment

The ~~Committee~~ ARIC was established as per Council Resolution of 25 November 2019 (121119).

6. Functions

Regulation 16 of the *Local Government (Audit) Regulations 1996* defines the functions of an audit committee as:

"16. Functions of audit committee

An audit committee has the following functions —

- (a) *to guide and assist the local government in carrying out —*
 - (i) *its functions under Part 6 of the Act; and*
 - (ii) *its functions relating to other audits and other matters related to financial management;*
- (b) *to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;*
- (c) *to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to —*
 - (i) *report to the council the results of that review; and*
 - (ii) *give a copy of the CEO's report to the council;*
- (d) *to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —*
 - (i) *regulation 17(1); and*
 - (ii) *the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*
- (e) *to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;*
- (f) *to oversee the implementation of any action that the local government —*
 - (i) *is required to take by section 7.12A(3); and*
 - (ii) *has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and*
 - (iii) *has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and*
 - (iv) *has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*
- (g) *to perform any other function conferred on the audit committee by these regulations or another written law."*

The ~~Committee~~ ARIC is also to consider the report presented by the CEO in accordance with Regulation 17 of the *Local Government (Audit) Regulations 1996* being:

Audit, & Risk & Improvement Committee Terms of Reference



"17. CEO to review certain systems and procedures

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
 - (a) risk management; and
 - (b) internal control; and
 - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.
- (3) The CEO is to report to the audit committee the results of that review."

In addition to the above the ~~Committee's ARIC's~~ other functions include:

6.1 External Audits

1. Provide guidance and assistance to Council as to the carrying out of the functions of the Shire in relation to external audits.
2. Provide an opportunity for the ~~Committee-ARIC~~ to meet with the external auditors to discuss any matters that the Committee or the external auditors believe should be discussed.
3. Meet with the auditor annually to receive the audit report and make a recommendation to Council with respect to that report.
4. Examine the reports of the auditor after receiving a report from the CEO on the matters to:
 - a. Determine if any matters raised require action to be taken by the Shire; and
 - b. Ensure that appropriate action is taken in respect of those matters.
5. Consider and recommend adoption of the Annual Report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the Annual Report is signed.
6. Address issues brought to the attention of the ~~Committee~~ARIC, including responding to requests from Council for advice that is within the parameters of the Committee's ToR.

Note: The Office of the Auditor General is responsible for conducting external audits.

6.2 Internal Audits

1. Provide guidance and assistance to Council as to the carrying out of the functions of the local government in relation to internal audits.
2. Review and recommend the annual internal audit plan for endorsement by the Council and all major changes to the plan. Monitor that the internal auditor's annual plan is linked with and covers the material business strategic risks and themes.
3. Monitor processes and practices to ensure that the independence of the internal audit function is maintained.
4. Annually review the performance of internal audits including the level of satisfaction with the internal audit function.
5. Review all internal audit reports and provide advice to Council on significant issues (i.e. high and extreme) identified in audit reports and the action to be taken on issues raised, including identification and dissemination of good practice.
6. Monitor management's implementation of internal audit recommendations.
7. Receive the findings of special internal audit assignments undertaken at the request of Council or CEO.
8. Review the annual Compliance Audit Return and report to Council the results of that review in accordance with Section 7.13(1)(i) of the *Local Government Act 1995*.
9. Consider the CEO's Biennial Reviews of the appropriateness and effectiveness of the Shire's systems and procedures in regard to risk management, internal control and legislative

Audit & Risk & Improvement Committee Terms of Reference



compliance, required to be provided to the ~~Committee~~ARIC, and report to Council the results of those reviews in accordance with Regulation 17 of the *Local Government (Audit) Regulations 1996*.

10. Oversee the process of developing and implementing the Shire's fraud control arrangements to assist Council in ensuring it has appropriate processes and systems in place to detect, capture and effectively respond to fraud and improper activities.
11. Consider the financial management systems and procedures in accordance with Regulation 5(2) of the *Local Government (Financial Management) Regulations 1996* within the statutory timeframes.

6.3 Risk Management

1. Ensure that management has in place a current and comprehensive enterprise Risk Management Framework and associated procedures for effective identification and management of Shire's business and financial risks.
2. Determine whether a sound and effective approach has been followed in managing the Shire's major risks including those associated with individual projects, program implementation, and activities.
3. Ensure the Shire identifies, reviews and regularly updates the strategic and operational risk profiles.
4. Understand and endorse the Shire's risk appetite.
5. Oversee the periodic review of the Risk Management Framework.

6.4 Business Continuity

1. Ensure a sound and effective approach has been followed in establishing the Shire's business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested.
2. Oversee the periodic review of the Business Continuity ~~Framework~~Plan.

6.5 Financial Reporting

1. Review significant accounting and reporting issues, recent accounting, professional and regulatory pronouncements and legislative changes, and understand their effect on the financial report.
2. Review with management and the external auditors the results of the audit, including any difficulties encountered.
3. Review the Annual Financial Statements forming part of the Shire's Annual Report and consider whether it is complete, consistent with information known to Committee members, and reflects appropriate accounting principles.
4. Review with management and the external auditors all matters required to be communicated to the ~~Committee~~ARIC under the Australian Auditing Standards.
5. Recommend the adoption of the Annual Financial Statements forming part of the Annual Report to Council.

6.6 Internal Control

1. Ensure management's approach to maintaining an effective Internal Control Framework is sound and effective.
2. Ensure management has in place relevant policies and procedures, including CEO's Instructions or their equivalent, and that these are periodically reviewed and updated.
3. Ensure appropriate processes are in place to assess, at least once a year, whether key policies and procedures are complied with.
4. Ensure appropriate policies and supporting procedures are in place for the management and

Audit, Risk & Improvement Committee Terms of Reference



exercise of delegations.

5. Review how management identifies any required changes to the design or implementation of key internal controls.

6.7 Fraud & Corruption Prevention

1. Oversee the process of developing and implementing the Shire's fraud control arrangements to assist Council in ensuring it has appropriate processes and systems in place to detect, capture and effectively respond to fraud and improper activities.
2. Receive and consider information and advice presented by the CEO on the strategies and controls to manage fraud and corruption risks at the Shire.
3. Provide oversight over the Shire's exposure and issues raised in relation to fraud and corruption.

6.8 Legislative Compliance

1. Oversee the effectiveness of the systems for monitoring compliance with relevant laws, regulations and associated government policies.

6.9 Other Responsibilities

1. Monitor the progress of the implementation of external audit recommendations made by the auditor, which have been accepted by the Shire.
2. Receive recommendations arising from reviews of local government systems and procedures.
3. At least once every two (2) years review and assess the adequacy of the ~~Committee's ARIC's~~ ToR, request Council approval for proposed changes, and ensure appropriate disclosure as required by legislation or regulation.

7. Membership

7.1 General

Section 7.1A of the *Local Government Act 1995* states the members of the Committee are to be appointed* by the local government and at least three (3) of the members, and where the Committee consists of more than three (3) members then the majority of those members, are to be Councillors.

**Absolute Majority required*

The CEO is not to be a member of the Committee and may not nominate a person to be a member of the Committee, or have a person represent the CEO as a member of the Committee. Similarly, an employee is not to be a member of the Committee.

As a minimum, the Shire's Committee will consist of up to five (5) members, being three (3) Councillors and up to two (2) external representatives. ~~The two (2) external representatives will fulfill the roles of Presiding Member and Deputy Presiding Member. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to Council's elected members.~~

~~In a situation where up to two (2) external representatives are not able to be appointed to the Committee, Council can elect to appoint* a Councillor to fill that position ie three (3) Councillors and two (2) external representatives or four (4) Councillors and one (1) external representative.~~

~~*Absolute Majority required~~

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~~Where a process to appoint an external representative(s) does not result in an appointment being made, Council can elect to appoint a fifth Councillor to fill that position to maintain the Committee's membership as five (5) members.~~

All members will have full voting rights. In the event of a tie the Chairperson will have the casting vote.

The appointment of external members shall be based on the following criteria:

1. A suitably experienced professional who can demonstrate a high level of expertise and knowledge in financial management, risk management, governance, legislative compliance, audit (internal and external), internal controls and assurance processes;
2. Have an understanding of the duties and responsibilities of the position, ideally with respect to local government financial reporting and auditing requirements;
3. Have strong communication skills;
4. Have relevant qualifications, skills and experience in providing independent audit advice, particularly on audit and risk committees; and
5. Be a person with no operating responsibilities with the Shire nor provide paid services to the Shire either directly or indirectly.

The appointment and re-appointment of external members shall be made by Council by way of invitation and be for a period of up to two (2) years to align with the local government ordinary election cycle. External members will not be appointed for more than three (3) consecutive terms.

External members will be required to confirm they will operate in accordance with the Shire's Code of Conduct and will be required to follow Council's policies pertaining to the ~~Committee~~ ARIC operations.

Council may, by resolution, terminate the appointment of any external member prior to the expiry of their term if:

1. The ~~Committee~~ ARIC, by majority decision, determines the member is not making a positive contribution to the ~~Committee~~ ARIC; or
2. The member is found to be in breach of the Shire's Code of Conduct or a serious contravention of the *Local Government Act 1995*; or
3. A member's conduct, action or comments brings the Shire into disrepute.

The members, taken collectively, will have a broad range of skills and experience relevant to the operations of the Shire. At least one (1) member of the ~~Committee~~ ARIC will have accounting or related financial and/or risk management experience.

Reimbursement of approved expenses may be paid to an external member in accordance with Section 5.100 of the *Local Government Act 1995*.

The CEO, Executive Manager Corporate & Community Services and Council and Executive Support Officer and/or their nominee is to attend all meetings to provide advice and guidance to the ~~Committee~~ ARIC. Other Shire staff listed above will attend meetings upon request of the CEO.

The Shire shall provide secretarial and administrative support to the ~~Committee~~ ARIC.

New members will receive relevant information and briefings on their appointment to assist them meet their ~~Committee~~ ARIC responsibilities.

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7.2 Tenure of Membership

The tenure of ~~Committee~~ ARIC membership will be in accordance with Section 5.11 of the *Local Government Act 1995*, taking into account Regulation 4 of the *Local Government (Administration) Regulations 1996*.

8. Delegated Authority

The ~~Committee~~ ARIC is to report to Council and provide appropriate advice and recommendations on matters relevant to its ToR. This is to facilitate informed decision-making by Council in relation to its legislative functions and duties that have not been delegated to the Chief Executive Officer.

The ~~Committee~~ ARIC is a formally appointed committee of Council and is responsible to that body. The ~~Committee~~ ARIC does not have executive powers or authority to implement actions in areas over which the Chief Executive Officer has legislative responsibility and does not have any delegated financial responsibility. The ~~Committee~~ ARIC does not have any management functions and cannot involve itself in the ~~Administration's~~ management processes or procedures.

9. Committee Structure

9.1 Chairperson and Deputy Chairperson

~~The Chairperson and Deputy Chairperson are to be appointed from amongst themselves by majority vote of the Committee. The Chairperson and Deputy Chairperson can be a Councillor or an external member. In accordance with Section 5.12 of the Local Government Act 1995, Council will appoint* a member of the ARIC to be the Presiding Member (Chairperson) and Deputy Presiding Member (Deputy Chairperson) of the ARIC.~~

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~~The Presiding Member and Deputy Presiding Member of the ARIC are to be its two (2) external members.~~

~~*Absolute Majority decision required~~

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9.2 Secretariat

The Council & Executive Support Officer will fulfil this administrative non-voting role.

9.3 Standing Ex-Officio Members

Chief Executive Officer
Executive Manager, Corporate & Community Services
Executive Manager, Infrastructure & Development Services
~~Finance~~ Manager ~~Finance~~
Council & Executive Support Officer

10. Meetings

10.1 Annual General Meeting

Not applicable

10.2 Committee Meetings

The ~~Committee~~ ARIC will meet at least quarterly, with additional meetings convened as required at the discretion of the Chairperson or at the request of the CEO.

Audit, Risk & Improvement Committee Terms of Reference



The ~~Committee-ARIC~~ meetings shall be open to the public.

Other Councillors of the Shire may attend ~~any~~~~each~~ ~~Committee-ARIC~~ meeting.

~~Committee-ARIC~~ members are expected, where possible, to attend each meeting in person. Where attendance in person is not possible, in accordance with Regulation 14A of the *Local Government (Administration) Regulations 1996*, the ~~Committee-ARIC~~ may, by resolution*, allow a member to attend the meeting via telephone or other means of instantaneous communication.
*Absolute Majority required

10.3 Voting

Voting will be conducted in accordance with Section 5.21 of the *Local Government Act 1995*.

10.4 Agendas, Minutes & Reporting

The CEO or their delegate will administratively coordinate the convening of meetings of the ~~Committee-ARIC~~ and invite members of management, internal and external auditors or others to attend meetings as observers and to provide relevant information as necessary. The Council & Executive Support Officer will facilitate the administrative support for the meeting, including as a minute taker for the meeting.

Unless otherwise agreed, notice of each meeting confirming the venue, time and date, together with an agenda of items to be discussed shall be provided to each member of the ~~Committee-ARIC~~ no later than ~~seventy-two~~ (72) hours prior to the meeting. Associated meeting papers are to be provided at the same time.

Minutes will be taken at each meeting and be presented to the subsequent meeting for confirmation. Minutes will include the proceedings and resolutions of the meeting including the names of those in attendance.

The Chairperson shall ascertain, at the beginning of each meeting, the existence of any conflicts of interest and minute them accordingly. Conflicts of Interest will be managed in accordance with the Shire's policies and the *Local Government Act 1995*.

Minutes of ~~Committee-ARIC~~ meetings shall be circulated promptly to all members of the ~~Committee-ARIC~~.

Minutes of ~~Committee-ARIC~~ meetings shall be presented to the next Ordinary Council Meeting, with any recommendations from the ~~Committee-ARIC~~ to be considered by Council as part of that agenda item.

Other than confidential papers and attachments, agendas and minutes of the ~~Committee-ARIC~~ will be made publicly available on the Shire's website in accordance with Section 5.96A of the *Local Government Act 1995* within specified legislative timeframes.

10.5 Who Acts if No Presiding Member

~~The Committee shall elect a Chairperson in accordance with the Local Government Act 1995 Section 5.14. In accordance with Section 5.14 of the Local Government Act 1995, if the Presiding Member and Deputy Presiding Member are not available, or are unable, to perform the functions of Presiding Member, then the ARIC members present at the meeting are to choose one of themselves to preside at the meeting.~~

Audit, Risk & Improvement Committee Terms of Reference



10.6 Members Interests to be Disclosed

Members are to disclose all interests in any matter as necessary in accordance with Part 5, Division 6 of the *Local Government Act 1995*, the *Local Government (Administration) Regulations 1996* and the Code of Conduct.

As prescribed, in accordance with Section 5.65 of the Local Government Act 1995, the penalties for non-compliance with this clause include a fine of \$2440,000 or imprisonment for two (2) years twenty-four (24) months.

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9.2 RISK MANAGEMENT UPDATE AS AT JUNE 2025

File Number:	4.8787
Author:	Anneke Birleson, Manager Governance & People
Authoriser:	Alina Behan, Acting Chief Executive Officer
Previously before Council:	28 June 2022 (020622) 27 September 2022 (100922) 20 December 2022 (141222) 21 March 2023 (420323) 19 December 2023 (121223) 26 March 2024 (100324) 24 September 2024 (100924) 17 December 2024 (131224) 11 March 2025 (070325)
Disclosure of Interest:	Nil
Appendices:	1. Strategic Risk Progress - Dashboard ↓ 2. Strategic Risk Register - Snapshot - Confidential 3. Strategic Risk Register - Snapshot - Detailed - Confidential

NATURE OF COUNCIL'S ROLE IN THE MATTER

Legislative

PURPOSE OF REPORT

This report provides the Audit and Risk Committee (ARC) with an update regarding progress on the Shire's Risk Management.

BACKGROUND

The Shire of York's Risk Assessment and Management Policy, in conjunction with the Risk Management Framework, sets out the Shire's approach to the identification, assessment, management and monitoring of risks.

The Shire's Risk Management Objectives are:

1. Optimise the achievement of our vision, experiences, strategies, goals and objectives.
2. Provide transparent and formal oversight of the risk and control environment to enable effective decision making.
3. Enhance risk versus return within our risk appetite.
4. Embed appropriate and effective controls to mitigate risk.
5. Achieve effective corporate governance and adherence to relevant statutory, regulatory and compliance obligations.
6. Enhance organisational resilience.
7. Identify and provide for the continuity of critical operations.

It is essential to monitor and review the management of risks as changing circumstances may result in some risks increasing or decreasing in significance. By regularly reviewing the effectiveness and efficiency of controls and appropriateness of treatment/action options selected, it can be determined if the organisation's resources are being put to the best use possible.

Each Risk on the Strategic Risk Register has a set of key Controls which, in turn have Risk Actions. Each Risk, Action and Control has an Officer allocated to it and an expected timeline for completion. Officers are required to report on progress at least monthly.

COMMENTS AND DETAILS

At its previous meetings the ARC considered proposed reporting methods for progress updates against the Strategic Risk Register.

The ARC approved the use of the following tools generated from Government Frameworks' Strategic Planning and Reporting software, Cascade:

- Strategic Risk Register Dashboard
- Strategic Risk Register Snapshot
- Strategic Risk Register Snapshot (Detailed)

The Dashboard provides a visual overview of progress against each of the eight (8) Strategic Risks as well as an indication of how the risks are spread across the organisation.

The Snapshots provide more detail, including risk assessments and with Officer comments in relation to progress of each Risk Control and Action.

The Snapshots and the Dashboard are live tools within Cascade and Officers can drill down on specific items using the charts and tables.

OPTIONS

The ARC has the following options:

Option 1: The ARC could recommend that Council notes the reporting progress made to date and requests the Chief Executive Officer to report on progress against the Strategic Risks at its September 2025 Ordinary Meeting.

Option 2: The ARC could recommend that Council notes the progress made to date, requests further development of the reporting tools and requests the Chief Executive Officer to present the final reporting tools for approval and report on progress against the Strategic Risks at its September 2025 Ordinary Meeting.

Option 1 is the recommended option.

IMPLICATIONS TO CONSIDER

Consultative

Executive Leadership Team

Organisational Management Group

Strategic

Council Plan 2025-2035

Pillar 5: Strong governance, responsive leadership

Community-informed, responsive leadership and strong governance

Policy Related

G19 Risk Assessment and Management

Financial

Financial implications of the proposed risk mitigation strategies are presented to Council as they emerge and inform the annual budget process.

Legal and Statutory

Regulation 17 of the *Local Government (Audit) Regulations 1996* is applicable and states:

“17. CEO to review certain systems and procedures

- (1) *The CEO is to review the appropriateness and effectiveness of a local government’s systems and procedures in relation to —*
 - (a) *risk management; and*
 - (b) *internal control; and*
 - (c) *legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.*
- (3) *The CEO is to report to the audit committee the results of that review.”*

Risk Related

The development and regular update of an organisational Risk Register is a risk management tool.

Workforce

It is proposed that risk mitigation actions are undertaken within current resources. Where additional resources are required, this will be identified and submitted as part of the annual budget process.

VOTING REQUIREMENTS

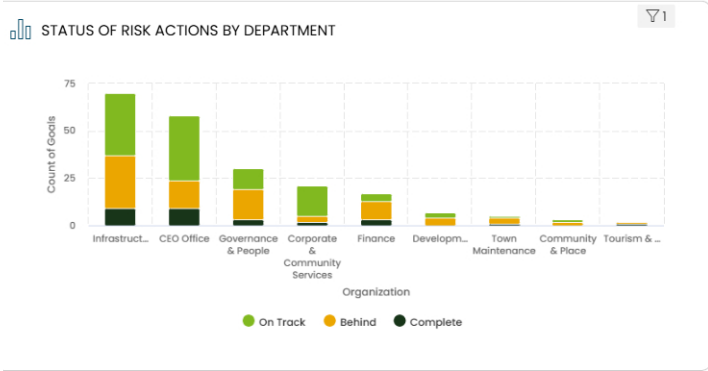
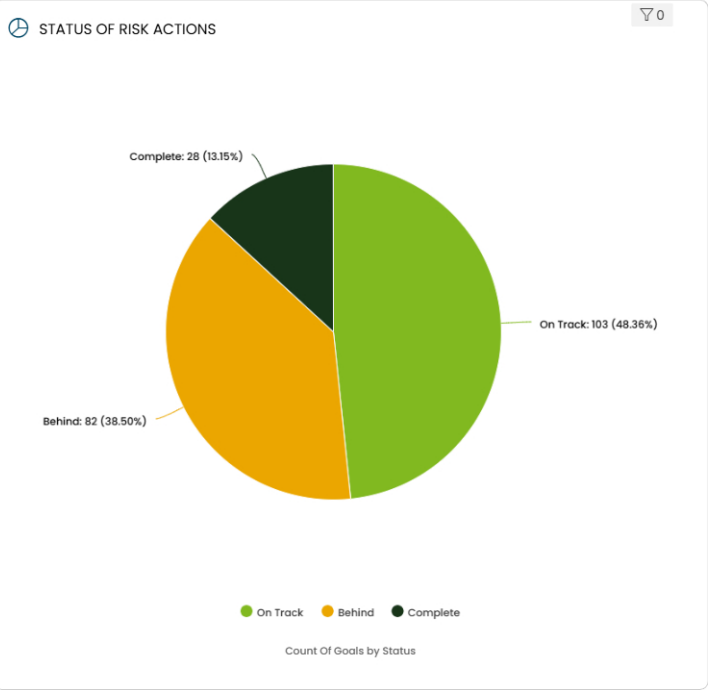
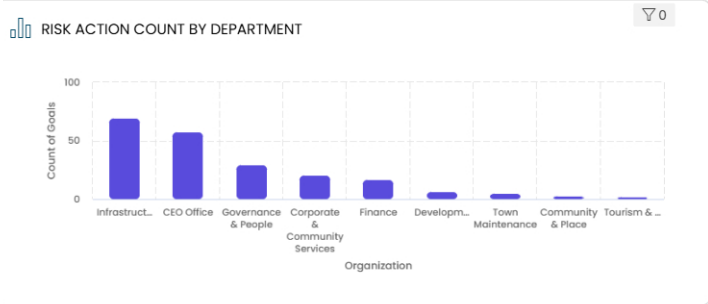
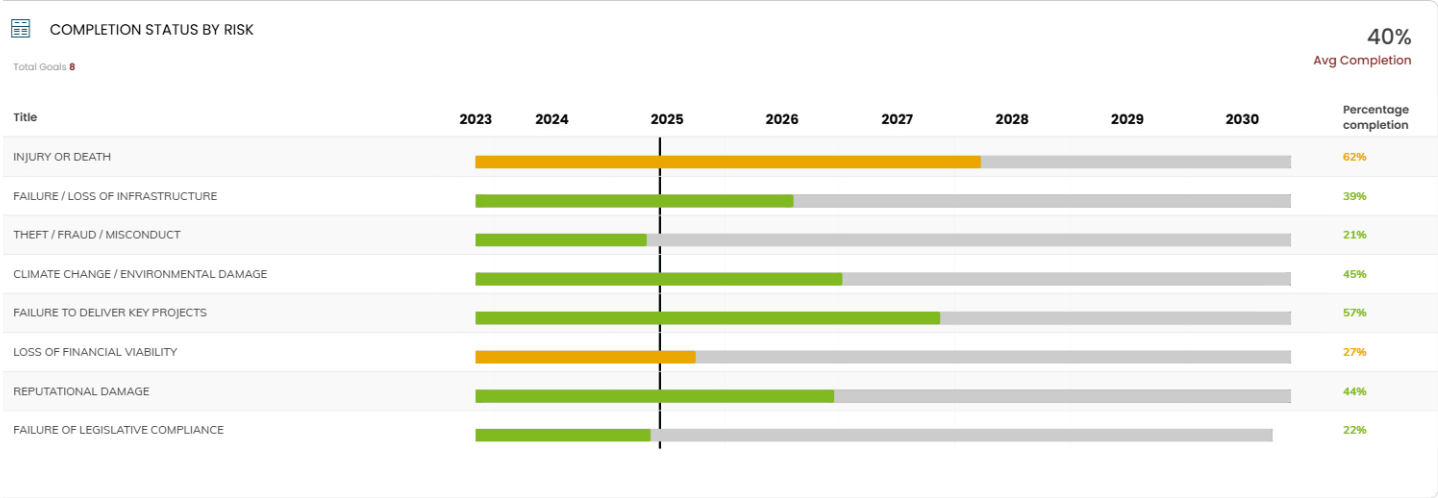
Absolute Majority: No

RECOMMENDATION

That, with regard to the Risk Management Update as at June 2025, the Audit and Risk Committee recommends that Council:

- 1. Notes the progress made to date in relation to the Strategic Risk Register.**
- 2. Requests the Chief Executive Officer to present a Risk Management Update, including specific reporting on the Strategic Risk Register, to the Audit and Risk Committee at its September 2025 meeting.**

STRATEGIC RISK MANAGEMENT PROGRESS OVERVIEW
Date: 06/06/2025



9.3 UPDATE ON THE FINDINGS IDENTIFIED DURING THE 2022/23 AND 2023/24 AUDITS

File Number:	4.0463, 4.4175
Author:	Codey Redmond, Manager Finance
Authoriser:	Rebecca Palumbo, Acting Executive Manager Corporate & Community Services
Previously before Council:	26 March 2024 (100324) 24 September 2024 (100924) 25 March 2025 (070325)
Disclosure of Interest:	Nil
Appendices:	1. Audit Findings Update ↓

NATURE OF COUNCIL'S ROLE IN THE MATTER

Executive

PURPOSE OF REPORT

This report presents an Update on the Findings Identified During the 2022/23 and 2023/24 Audits to the Audit and Risk Committee (ARC) for consideration and, if satisfactory, recommendation to Council.

BACKGROUND

Following recommendation by the ARC, Council considered the 2022/23 and 2023/24 Audit Findings at its March 2025 Ordinary Meeting and resolved (070325):

“That, with regard to the Minutes and Recommendations of the Audit and Risk Committee Meeting held on 11 March 2025, Council:

- 1. *Receives the Unconfirmed Minutes of the Audit and Risk Committee (the ARC) Meeting held on 11 March 2025, as presented in Appendix 1, subject to correcting the spelling of the name of Sharna Hilder at Item 4.2 – Public Question Time, and by adopting the following recommendations of the ARC, Council:***
 - a. Resolves to adopt the completed 2024 Compliance Audit Return, as presented in Appendix 1, for certification by the Shire President and the Chief Executive Officer in accordance with Regulation 15(2) of the Local Government (Audit) Regulations 1996.***
 - b. Requests the Chief Executive Officer to submit the certified 2024 Compliance Audit Return to the Departmental CEO of the Department of Local Government, Sport and Cultural Industries prior to 31 March 2025 in accordance with Regulation 15(1) of the Local Government (Audit) Regulations 1996.***
 - c. Authorises the Chief Executive Officer to make any necessary minor typographical and formatting changes to the certified 2024 Compliance Audit Return prior to submission.***
 - d. Notes the progress made to date in relation to the Strategic Risk Register.***
 - e. Requests the Chief Executive Officer to present a Risk Management Update, including specific reporting on the Strategic Risk Register, to the Audit and Risk Committee at its June 2025 meeting.***

- f. Receives the status update on progress towards the remaining ten (10) Findings and eleven (11) new Findings from 2023/24 audit, as detailed in this report, noting those which are resolved or the intended timeframe for completion.**
- g. Requests the Chief Executive Officer to provide an update on the Findings identified during the 2022/23 and 2023/24 Audits to the Audit and Risk Committee at its June 2025 meeting.**
- h. Resolves to adopt the Mid-Year Budget Review and supporting information, as presented in Appendix 1.**
- i. Requests the Chief Executive Officer to reduce the transfer to Reserve by \$40,000 for Pioneer Memorial Lodge.**
- j. Requests the Chief Executive Officer to reduce the transfer to Plant Reserve by \$85,046 to support the acquisition of plant items.**
- k. Requests the Chief Executive Officer to transfer \$19,196 from the Long Service Leave Reserve to General Operational Funds.”**

In accordance with point g, an update on the status of the 2022/23 and 2023/24 Audit Findings is presented to the ARC for consideration and recommendation to Council.

COMMENTS AND DETAILS

Nexia attended the Shire Administration during the week commencing 12 May 2025 to conduct the interim audit. Staff are currently addressing preliminary matters raised during the process. Nexia will issue its formal interim findings once these items have been reviewed and management will have an opportunity to comment.

Staff have been working towards implementing processes and procedures to address the Findings of the 2022/23 & 2023/24 Audit with further details provided below.

TABLE 1. 2022/23 Findings

FINDING	COMMENT
Untimely preparation and review of bank reconciliations	Ongoing – presented in 2023/24 Findings
Depreciation of assets	Reviewed as part of the 2023/24 audit process and determined to no longer be a Finding.
Audit readiness and quality of financial and supporting documentation	Reviewed as part of the 2023/24 audit process and determined to no longer be a Finding.
Untimely preparation and review of the property, plant and equipment reconciliation	Although not presented in in Findings for 2023/24 final audit it has been found as a preliminary item in the 2024/25 interim audit. Previous advice from Moore was to not reconcile assets until after the annual report has been audited as it can be difficult to report retrospective changes.
Asset revaluations	Reviewed as part of the 2023/24 audit process and determined to no longer be a Finding. Council’s next fair value review is due in 2026/27 for roads, drainage, bridges and footpaths.
Monitoring of grants income and expenses	Reviewed as part of the 2023/24 audit process and determined to no longer be a Finding. Ongoing efforts are being made to improve registering and tracking of grants. Work in progress.

Plant recovery cost base rate and indirect/overhead cost allocation rate	Reviewed as part of the 2023/24 audit process and determined to no longer be a Finding. To be reviewed each year when preparing the budget. Workshop held this week.
Works in progress for capital projects	Reviewed as part of the 2023/24 audit process and determined to no longer be a Finding.
No asset addition forms	Reviewed as part of the 2023/24 audit process and determined to no longer be a Finding.
Assets with no depreciation	Reviewed as part of the 2023/24 audit process and determined to no longer be a Finding.

TABLE 2. 2023/2024 Findings

FINDING	COMMENT	STATUS / TIMEFRAME
Untimely preparation and review of bank reconciliation.	Significant progress has been made in addressing this issue in previous years. Reconciliations will likely be found as an item in 2024/25. Municipal and Trust reconciliations for the period July-December 2024 have been actioned with Officers now clarifying unreconciled items. Officers are working on unreconciled items in the 2024/25 year before working on unreconciled items from prior years.	2024/25 bank reconciliations are aiming to be completed by end of financial year. July 2025
Lack of segregation of duties with purchasing	The lack of segregation of duties in purchasing was addressed during the Audit Reg 17 and FMR Reg 5 Review in 2023. Recommendations were received by Council in December 2023, leading to updates to Policy F2 - Procurement. The ARC reviewed the residual risk in June 2024 and recommended that appropriate adjustments had been made, acknowledging that complete segregation may not always be feasible. Council accepted the residual risk for 2022/23 and 2023/24 at its June 2024 meeting.	Council accepted residual risk for 2022/23 and 2023/24.
Fortnightly payroll reconciliations	Fortnightly payroll reconciliations have been consistently conducted since December 2023. External auditors Nexia have confirmed the matter has been resolved and will not pose a problem in the future.	External auditors Nexia acknowledged the matter has been addressed since December 2023 and will not be an issue going forward.
Unrecorded liabilities	A one-time error in posting periods occurred due to staff changes at the end of the year. Implementing robust bank reconciliations will help to promptly identify and address any future errors. The error was corrected by journaling to the appropriate period as directed by the auditors.	Journalled to correct period at the direction of the auditors in December 2024.
Untimely approval of purchase orders	The ARC reviewed the untimely approval of purchase orders in June 2024 and recommended that appropriate controls were in place. The	Council accepted residual risk for

	treatment for non-compliance includes education and training, followed by HR processes where applicable. Council accepted the residual risk for 2022/23 and 2023/24 during its June 2024 meeting.	2022/23 and 2023/24.
Lack of control on tracking usage of inventory	This was identified as a weakness particularly in relation to fuel supplies where the largest variance has been recorded. The installation of a new fuel tank has automated recording of information and should prevent recurrence. Stock write-off required for the historic discrepancy.	Stock write-off required in Synergy. Operations team have processes to track inventory.
Inappropriate User Access in Synergy	At its June 2024 meeting the ARC considered this item and recommended to Council that appropriate access was in place. At its June 2024 Ordinary Meeting, Council agreed with the recommendation and voted to accept the residual risk. In line with the auditors' recommendation, the Shire implemented a trial of restricted access for the Finance Manager beginning in January 2025 to assess the impact on financial operations. Following a successful trial, the restricted access will now be implemented on a permanent basis.	Restricting bank signatories access to the database will lower Council's risk of fraud.
Old PPE assets carried in the FAR	A review of older assets with low carrying values was conducted to remove any that are no longer in use or have fallen below material threshold. While asset addition and disposal processes are already in place, it is acknowledged that some items disposed of before these processes began may require investigation and appropriate treatment.	Assets no longer in use or immaterial were removed prior to interim audit in May 2025.
Untimely review of the credit card policy	The review period for all policies was evaluated as the Shire transitioned to its Integrated Planning and Reporting software. It was determined that a two-year review of Policy F6 – Corporate Credit Card Policy was sufficient, and thus it was not due for review within the reporting period. The Executive Leadership Team reviewed the current policy and found no need for amendments. This was presented to Council in December 2024, and the policy was adopted (Resolution 061224).	Policy was reviewed and adopted by Council at its December 2024 Meeting.
Former Employee listed as authorised signatory in AMP Bank Confirmation	Officers corrected the oversight of not adding the new Finance Manager as an authorised signatory per the Shire's May 2024 instruction. Bank access was updated in December 2024, and Officers will continue to ensure that signatories are promptly updated as staff changes occur.	Bank access updated December 2024. Continued effort to be made to remove signatories as staff changes.
Guidelines for general journals	The Shire's current journal procedures have been deemed satisfactory by the external auditors Nexia in its 2023/24 audit process. To ensure continued accuracy and compliance, Officers will formalise the Management Guidelines for General Journals based on these existing practices. This update will be completed by 30 June 2025.	Procedure to be updated and implemented before end of financial year 30 June 2025.

A copy of the audit findings report is presented in Appendix 1.

OPTIONS

The ARC has the following options:

- Option 1:** The ARC could recommend that Council receives the status update on progress towards the remaining ten (10) Findings of 2022/2023 and eleven (11) new Findings from 2023/24 audit and requests the Chief Executive Officer to provide an update on the 2023/24 Findings and 2024/25 Interim findings at its September 2025 meeting.
- Option 2:** The ARC could recommend that Council does not receives the status update on progress towards the remaining ten (10) Findings of 2022/2023 and eleven (11) new Findings from 2023/24 audit and requests the Chief Executive Officer to provide an update on the Findings at its September 2025 meeting.
- Option 3:** The ARC could recommend that Council requests more information from the Chief Executive Officer on the remaining ten (10) Findings of 2022/2023 and eleven (11) new Findings from 2023/24 audit and identifies what that information is.

Option 1 is the recommended option.

IMPLICATIONS TO CONSIDER

Consultative

Executive Leadership Team

Strategic

Council Plan 2025-2035

Pillar 5: Strong governance, responsive leadership
Community-informed, responsive leadership and strong governance

Policy Related

G17 Integrated Planning and Reporting - Planning
G19 Risk Assessment and Management

Financial

There are no direct financial implications relating to the risk assessment of the Audit Findings.

Legal and Statutory

Section 7.12A of the *Local Government Act 1995* is applicable and states:

“7.12A. Duties of local government with respect to audits

- (1) *A local government is to do everything in its power to —*
 - (a) *assist the auditor of the local government to conduct an audit and carry out the auditor’s other duties under this Act in respect of the local government; and*
 - (b) *ensure that audits are conducted successfully and expeditiously.*
- (2) *Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.*
- (3) *A local government must —*
 - (aa) *examine an audit report received by the local government; and*
 - (a) *determine if any matters raised by the audit report, require action to be taken by the local government; and*

- (b) *ensure that appropriate action is taken in respect of those matters.*
- (4) *A local government must —*
 - (a) *prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and*
 - (b) *give a copy of that report to the Minister within 3 months after the audit report is received by the local government.*
- (5) *Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website."*

The *Local Government (Audit) Regulations 1996* provides the legislative framework for the conduct of audits in local government and the role of the ARC in considering the results of those audits.

Risk Related

Failure to undertake the actions documented in the report could result in financial risk for the Shire.

Workforce

The scope of this report can be accommodated within current operational capacity and via contractor support which is already in place.

VOTING REQUIREMENTS

Absolute Majority: No

RECOMMENDATION

That, with regard to the Update on the Findings Identified During the 2022/23 and 2023/24 Audits, the Audit and Risk Committee recommends that Council:

- 1. Receives the status update on progress towards the remaining ten (10) Findings of 2022/23 and eleven (11) new Findings from 2023/24 audit, as detailed in this report, noting those which are resolved or the intended timeframe for completion.**
- 2. Requests the Chief Executive Officer to provide an update on the Findings identified during the 2023/24 Audits and 2024/25 Interim Audit to the Audit and Risk Committee at its September 2025 meeting.**



NEW AUDIT SNAPSHOT
06/06/2025



AUDITS PLAN

AUDIT FINDINGS 2022/23

Goal	Audit ...	Prior ...	Implication	Risk As...	Audit Recommenda...	Management ...	Rate Add...	Residual Ri...	Treat...	Comment	Comp...
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Goal	Audit ...	Prior ...	Implication	Risk As...	Audit Recommenda...	Management ...	Rate Add...	Residual Ri...	Treat...	Comment	Comp...
Untimely preparation and review of bank reconciliations	Significant	Yes	The timely preparation and independent review of monthly bank reconciliations is a key control for ensuring financial transactions are valid, complete and accurately reflected in the financial records and bank accounts. This absence of this key financial control may increase the risk of fraudulent transactions, errors or omission going undetected, resulting in misstatements within the Shire's financial statements	NEW Consequence: Moderate Likelihood: Possible Risk Rating: High	We recommend that the Shire review its bank reconciliation processes to ensure the monthly bank reconciliations are appropriately prepared and reviewed in a timely manner. The bank reconciliation process should include ensuring supporting documentation to the reconciliation is readily available to allow the Shire to perform an effective review. The Shire should ensure an adequate level of training is provided to staff performing the reconciliation. The reviewer should also ensure that reconciling items are accurate and supported and evidence of independent review is maintained.	Agreed bank reconciliations were not conducted in a timely fashion in the 2022/23 Financial Year due to lack of staff. The financial services contract established with Moore Australia in 2023/24 has allowed for the review of the bank reconciliation process and training of finance team members. This has now been completed, and Trust accounts are up to date. The remainder of Municipal reconciliations will be completed in March 2024. This process will now be undertaken weekly for Municipal reconciliations and monthly for Trust due to the lower activity. This can be tested in the 2023/24 Interim Audit.	Adequate	NEW Residual Consequence: Moderate Residual Likelihood: Likely Residual Risk Rating: High	Treat	<p>Rebecca Palumbo: 2022/23 Bank Reconciliations updated with \$10,000 of outstanding transactions. Investigation needed to determine action in regard to these outstanding items. To be actioned by June 2025 by Finance Manager. <i>06/06/2025</i></p> <p>Vanessa Green: Continue to work towards weekly Municipal reconciliations and monthly Trust reconciliations. Ongoing staff training. <i>05/06/2024</i></p>	<p>54% 54 / 100 46% behind</p>

Goal	Audit ...	Prior ...	Implication	Risk As...	Audit Recommenda...	Management ...	Rate Add...	Residual Ri...	Treat...	Comment	Comp...
Depreciation of assets	Significant	No	Where assets are not depreciating in line with their useful lives, there is a risk that the depreciation expense and value of Property, Plant and Equipment and Infrastructure may be materially misstated. Further where depreciation applied does not reflect an assets use, this can cause difficulties in asset management planning.	NEW Consequence: Extreme Likelihood: Possible Risk Rating: Extreme	The Shire review the depreciation rates applied to all assets to ensure that they are the correct rates in-line with revaluation reports or where appropriate, updated useful life estimations.	The depreciation calculations are undertaken in accordance with Australian Accounting Standards. Errors that resulted in a misstatement of the depreciation have been found and corrected.	Adequate	NEW Residual Consequence: Major Residual Likelihood: Likely Residual Risk Rating: High	Treat	Rebecca Palumbo: Considered as part of 2023/24 Audit process 06/06/2025 Codey Redmond: no longer audit finding 28/02/2025	100% 100 / 100 -

Goal	Audit ...	Prior ...	Implication	Risk As...	Audit Recommenda...	Management ...	Rate Add...	Residual Ri...	Treat...	Comment	Comp...
Audit readiness and quality of financials and supporting documentation	Significant	No	As a result of the matters highlighted above, the financial statements approved to release by the Shire to the auditors were incorrect and did not agree to the underlying financial records. Significant additional time and effort has been committed by the audit team to try and progress this audit to a point. Further, without timely consideration of the Shire's ability to fulfill its reporting responsibilities these may not be met. Additionally, a delay in receiving appropriate documents and evidence can create inefficiencies and productivity of the audit. In the absence of sufficient appropriate audit evidence, we may not be able to comfortably conclude on such transactions and balances.	NEW Consequence: Major Likelihood: Unlikely Risk Rating: High	We recommend the Shire review its key accounting function set up to ensure that it is fit for purpose and able to meet the required deliverables. The Shire must ensure all information to support the preparation of the financial report are complete, accurate and available for the audit team to inspect. Further, to ensure that the Shire is suitably audit ready at the commencement of each phase of the audit it is preferable that the Shire utilise the varying Better Practice Guides the OAG has developed and ensure all requested information is available.	The Shire can demonstrate that it commenced collecting the information requested in the PBS in April of 2023. Prior to onsite testing the majority of the PBS requirements had been collected and transmitted. There were numerous instances where audit documents were transmitted, only to be subsequently requested by the audit team. This pattern persisted even after the audit recommenced in January 2024, with information submitted being immediately demanded again by the OAG. It is worth noting that OAG officers frequently failed to provide adequate time for thorough responses from Shire of York staff, this will be thoroughly discussed at the Exit Interview.	Adequate	NEW Residual Consequence: Major Residual Likelihood: Possible Residual Risk Rating: High	Treat	Rebecca Palumbo: Reviewed as part of 2023/24 Audit process and determined to no longer be a finding. <i>06/06/2025</i> Alina Behan: The splitting of the former Senior Finance Role into two positions - Senior Finance, and Rates and Debtors has allowed the Senior Finance Officer to prioritise auditors' requests and has freed up the Finance Manager to concentrate on budget preparation. The interim audit was completed in July 2024, and the Shire was able to provide all requested samples to the external audit firm Nexia. <i>02/08/2024</i>	100% 100 / 100 -

Goal	Audit ...	Prior ...	Implication	Risk As...	Audit Recommenda...	Management ...	Rate Add...	Residual Ri...	Treat...	Comment	Comp...
Untimely preparation and review of the property, plant and equipment reconciliation	Significant	Yes	PPE account reconciliations not prepared and reviewed in a timely manner increase the risk of unreconciled items and errors being undetected and/or not promptly corrected.	NEW Consequence: Major Likelihood: Possible Risk Rating: Extreme	We recommend the Shire prepare and review its Property, Plant & Equipment account reconciliations in a timely manner.	Persistent delays in finalising the Annual Financial Report have once more hindered the timely completion of procedures for the 22/23 Financial Year. This ongoing delay prevents the initiation of new fiscal year asset transactions and disposals until the previous year's financials have been officially adopted.	Adequate	NEW Residual Consequence: Major Residual Likelihood: Likely Residual Risk Rating: High	Treat	Rebecca Palumbo: Although not presented in findings for 2023/24 final audit it has been found as a preliminary item in the 2024/25 interim audit. Previous advice from Moore was to not reconcile assets until after the annual report has been audited as it can be difficult to report retrospective changes. 06/06/2025 Anneke Birleson: As part of the Workforce Plan recommendations an additional resource has been established. This position has been filled with assets being a key focus area. 06/06/2024	100% 100 / 100 -

Goal	Audit ...	Prior ...	Implication	Risk As...	Audit Recommenda...	Management ...	Rate Add...	Residual Ri...	Treat...	Comment	Comp...
Asset revaluations	Significant	No	Without appropriate checks and reconciliations to demonstrate and verify the completeness of the revaluation process and the asset register, there is an increased risk of material misstatement in financial reports. Further, where clear documentation is unable to be provided to support movements between balances or amounts are unreconciled there is a risk that assets may be duplicated or mistakenly removed from the asset register. Incorrect application of legislative and accounting standard requirements increases the risk of a material misstatement within the financial report.	NEW Consequence: Major Likelihood: Possible Risk Rating: Extreme	Management should ensure robust procedures are in place to ensure the accuracy and completeness of the fixed assets reported in the financial statements and captured through the revaluation process. Further, management should ensure documentation relating to these reconciliations is readily available. Management should thoroughly review and analyse the balances above, errors should be corrected.	Assets subject to revaluation have been examined and all variances accounted for. This is now resolved. This has highlighted the need for a thorough review of all asset classes with regard to the capturing of asset information, naming and classification. Guidance will be sought, and staff trained on the capitalisation of assets to ensure that sufficient data is captured in the finance system to ensure assets are able to be revalued.	Inadequate	NEW Residual Consequence: Major Residual Likelihood: Likely Residual Risk Rating: High	Treat	Rebecca Palumbo: Reviewed as part of the 2023/24 audit process and determined to no longer be a finding. Councils next fair value review is due in 2026/27 for roads, drainage, bridges and footpaths. 06/06/2025 Vanessa Green: Identified need for review of all asset classes and asset management procedures including capture in asset registers 05/06/2024	100% 100 / 100 -

Goal	Audit ...	Prior ...	Implication	Risk As...	Audit Recommenda...	Management ...	Rate Add...	Residual Ri...	Treat...	Comment	Comp...
Monitoring of grants income and expenses	Significant	Yes	Without regular monitoring of a grant register, the Shire is exposed to an increased risk of non-compliance with agreements, unrecorded transactions in the general ledger, and undisclosed commitments in the financial statements. In addition current practice may result in non-compliance with AASB 15 or 1058 as no assessment has been made to determine the appropriate recognition of revenue of each grant, being either on receipt or over time. Incorrect revenue recognition may cause inaccuracies in the annual financial statements and the Shire's monthly financial information meaning financial decision making may be ill-informed.	NEW Consequence: Major Likelihood: Unlikely Risk Rating: High	The Shire should review its current practice and implement a standard process to ensure its grant register is appropriately maintained to address the risks noted above. The Shire should retrospectively complete a detailed revenue recognition assessment of its grant revenue streams. This is to conclude if a particular grant revenue stream or transaction arises from an enforceable contract with a customer and has sufficiently specific performance obligations. The assessment will trigger the revenue recognition requirements under AASB 15, or if it falls outside this scope, under AASB 1058, so that revenue is not misstated for the 2023-24 financial year.	Historically an excel workbook has been used for the Grants Register where every Responsible Officer is required to add any new grants and update any other relevant information. Senior Finance Officer would update income and expenditure monthly and email register to all staff each month for review and update. This register has been superseded by the Government Frameworks IPR software which will be implemented in 2024. Progress can be tested during Interim and Final Audits for 2023/24.	Inadequate	NEW Residual Consequence: Major Residual Likelihood: Likely Residual Risk Rating: High	Treat	Rebecca Palumbo: Reviewed as part of the 2023/24 audit process and determined to no longer be a finding. Ongoing efforts are being made in improving registering and tracking grants. Work in progress. <i>06/06/2025</i> Vanessa Green: Grant monitoring through Cascade still in development, procedures to be defined <i>05/06/2024</i>	50% 50 / 100 50% behind
Plant recovery cost base rate and indirect/overhead cost allocation rate	Moderate	Yes	The use of outdated base rate for plant recovery cost and the application of indirect/overhead cost recovery rate increases the risk of the project/fixed assets costs being misstated.	NEW Consequence: Moderate Likelihood: Unlikely Risk Rating: High	The Shire should review the base rate for plant recovery costs and the indirect/overhead cost recovery rate to determine their currency and accuracy.	This work has not been completed but assistance in ensuring a robust process has been sought via the contract with Moore Australia.	Inadequate	NEW Residual Consequence: Moderate Residual Likelihood: Likely Residual Risk Rating: High	Treat	Rebecca Palumbo: Reviewed as part of the 2023/24 audit process and determined to no longer be a finding. To be reviewed each year when preparing budget. Workshop held this week <i>06/06/2025</i> Vanessa Green: In progress <i>05/06/2024</i>	20% 20 / 100 80% behind

Goal	Audit ...	Prior ...	Implication	Risk As...	Audit Recommenda...	Management ...	Rate Add...	Residual Ri...	Treat...	Comment	Comp...
Works in progress for capital projects	Moderate	No	Incorrect capitalisation could result in asset, depreciation and expense accounts being misstated.	NEW Consequence: Moderate Likelihood: Unlikely Risk Rating: High	The Shire should ensure that only valid items are capitalised and develop a policy and procedure providing guidance on the accounting treatment for costs relating to capital projects.	Noted. The Shire will review this requirement to see whether it is applicable.	Inadequate	NEW Residual Consequence: Moderate Residual Likelihood: Likely Residual Risk Rating: High	Treat	Rebecca Palumbo: PPR progressing through Aust Govt processes <i>19/12/2024</i> Rebecca Palumbo: Ongoing. Risk plan developed <i>19/12/2024</i>	100% 100 / 100 -
No asset addition forms	Minor	No	Use of asset addition forms allows the asset team to clearly communicate specific information such as useful lives and date assets were received to the finance team for input into the accounting records.	NEW Consequence: Minor Likelihood: Possible Risk Rating: High	The Shire should implement the use of asset addition forms.	This recommendation is noted, we will look to implement this in 2024.	Inadequate	NEW Residual Consequence: Minor Residual Likelihood: Almost Certain Residual Risk Rating: High	Treat	Rebecca Palumbo: Reviewed as part of the 2023/24 audit process and determined to no longer be a finding. <i>06/06/2025</i> Codey Redmond: Asset acquisition and disposal forms created and implemented 01/07/2024 for 2024/25 financial year <i>02/09/2024</i>	100% 100 / 100 -

Goal	Audit ...	Prior ...	Implication	Risk As...	Audit Recommenda...	Management ...	Rate Add...	Residual Ri...	Treat...	Comment	Comp...
Assets with no depreciation	Moderate	Yes	When assets are not assigned a depreciation rate, or when assets are not being depreciated this can lead to an understatement in depreciation expense and an overstatement in the net book value of assets being reported in the financial statements. This can also result in assets not reflecting their accurate future service potential.	NEW Consequence: Minor Likelihood: Possible Risk Rating: High	The Shire should ensure that depreciation rates are assigned for asset additions on acquisition and that depreciation charge is consistently and accurately generated by the asset module. Furthermore, the Shire should review the depreciation rate of all assets to ensure they are aligned with the remaining economic benefits and future service potential of these assets.	Please see comments at Finding 11. Assets subject to revaluation have been examined and all variances accounted for. This is now resolved. This has highlighted the need for a thorough review of all asset classes with regard to the capturing of asset information, naming and classification. Guidance will be sought, and staff trained on the capitalisation of assets to ensure that sufficient data is captured in the finance system to ensure assets are able to be revalued.	Inadequate	NEW Residual Consequence: Minor Residual Likelihood: Almost Certain Residual Risk Rating: High	Treat	Rebecca Palumbo: Reviewed as part of the 2023/24 audit process and determined to no longer be a finding. 06/06/2025 Vanessa Green: Identified need for review of all asset classes and asset management procedures including capture in asset registers 05/06/2024	100% 100 / 100 -

AUDIT FINDINGS 2023/24

Goal	Audit ...	Prior ...	Implication	Risk As...	Audit Recommenda...	Management ...	Rate Add...	Residual Ri...	Treat...	Comment	Comp...
Untimely preparation and review of bank reconciliations	Significant	Yes	The timely preparation and independent review of monthly bank reconciliations is a key control for ensuring financial transactions are valid, complete and accurately reflected in the financial records and bank accounts. This absence of this key financial control may increase the risk of fraudulent transactions, errors or omission going undetected, resulting in misstatements within the Shire's financial statements		We recommend that the Shire review its bank reconciliation processes to ensure the monthly bank reconciliations are appropriately prepared and reviewed in a timely manner. The bank reconciliation process should include ensuring supporting documentation to the reconciliation is readily available to allow the Shire to perform an effective review. The Shire should ensure an adequate level of training is provided to staff performing the reconciliation. The reviewer should also ensure that reconciling items are accurate and supported and evidence of independent review is maintained.	Significant progress has been made against this item, but works are yet to be completed. Finalisation of the outstanding bank reconciliations is on track for December 2024.	Adequate		Treat	<p>Rebecca Palumbo: Progress has been made in addressing this issue in previous years.</p> <p>Reconciliation's will likely be found as an item in 2024/25. Municipal & Trust reconciliations for the period July-December 2024 have been actioned with staff now clarifying unreconciled items. Staff are working on unreconciled items in the 2024/25 year before working on unreconciled items from prior years.</p> <p>06/06/2025</p> <p>Rebecca Palumbo: My coment was incorrect and should not be relied on</p> <p>26/05/2025</p>	<p>53%</p> <p>53 / 100</p> <p>47% behind</p>

Goal	Audit ...	Prior ...	Implication	Risk As...	Audit Recommenda...	Management ...	Rate Add...	Residual Ri...	Treat...	Comment	Comp...
Lack of segregation of duties with purchasing	Significant	Yes	In the absence of sufficient and appropriate segregation of duties there is an increased risk of erroneous or fraudulent payments. Further there is a heightened risk of the Shire ordering and committing to unauthorised goods or services. Where purchases are centralised to the individual business units, this may hamper the effectiveness of the delegated financial authority control mechanism as well as the efficiency of business operations		The Shire should review its underlying policies, procedures, systems and controls around ordering, receipting and approving payment of goods and services. Policies and procedures implemented should ensure sufficient and appropriate segregation of duties is achieved and these should be communicated to all staff. The Shire should also review its delegated financial authority to ensure it remains appropriate to meet the Shire's risk assessment and procurement requirements. As part of ensuring segregation of duties, where purchases are initiated in business units that are not their own, relevant managers should undertake checks and make enquiries as necessary to verify and authorise each transaction.	This was considered as part of the Audit Reg 17 and FMR Reg 5 Review in 2023. The recommendations regarding segregation of duties were received by Council at its December 2023 OCM and the corresponding updates to Policy F2 - Procurement adopted. The residual risk after the implementation of these recommendations was presented to the Audit and Risk Committee (ARC) at its June 2024 meeting. ARC considered this item and recommended to Council that appropriate adjustments had been taken to segregate purchasing duties noting that this would not always be possible. At its June 2024 Ordinary Meeting, Council agreed with the recommendation and voted to accept the residual risk.	Effective		Treat	<p>Rebecca Palumbo: The lack of segregation of duties in purchasing was addressed during the Audit Reg 17 and FMR Reg 5 Review in 2023. Recommendations were received by the Council in December 2023, leading to updates to Policy F2 - Procurement. The Audit and Risk Committee (ARC) reviewed the residual risk in June 2024 and recommended that appropriate adjustments had been made, acknowledging that complete segregation may not always be feasible. The Council accepted the residual risk for 2022/23 and 2023/24 at its June 2024 meeting. <i>06/06/2025</i></p> <p>Vanessa Green: Council resolved to accept the residual risk <i>06/03/2025</i></p>	100% 100 / 100

Goal	Audit ...	Prior ...	Implication	Risk As...	Audit Recommenda...	Management ...	Rate Add...	Residual Ri...	Treat...	Comment	Comp...
Fortnightly payroll reconciliations	Significant	Yes	Where payroll reconciliations are not completed, there is a risk the General Ledger is inaccurate and not a complete representation of payroll related payments. Inadequate independent review of the payroll reconciliations increases the risk of errors, omissions or fraud going undetected.		We recommend management to ensure that fortnightly payroll reconciliations are adequately performed, and evidence of independent review is retained.	As noted by the auditors this process has been undertaken fortnightly since December 2023.	Effective		Treat	<p>Rebecca Palumbo: Fortnightly payroll reconciliations have been consistently conducted since December 2023. External auditors Nexia have confirmed that this issue has been resolved and will not pose a problem in the future.</p> <p>External auditors Nexia acknowledged the issue has been addressed since December 2023 and will not be an issue going forward. <i>06/06/2025</i></p> <p>Codey Redmond: Process completed and undertaken before audit in December 2023. <i>28/02/2025</i></p>	100% 100 / 100 -

Goal	Audit ...	Prior ...	Implication	Risk As...	Audit Recommenda...	Management ...	Rate Add...	Residual Ri...	Treat...	Comment	Comp...
Unrecorded liabilities	Significant	No	If subsequent payments are not reviewed for additional liabilities at balance date, there is a risk of liabilities and other areas of the financial report being incomplete and materially misstated.		We recommend that management puts in place a process to ensure that year-end invoices are captured appropriately in the correct period.	Noted. A process will be developed to prevent recurrence of this incorrect posting.	Effective		Treat	<p>Rebecca Palumbo: A one-time error in posting periods occurred due to staff changes at the end of the year.</p> <p>Implementing robust bank reconciliations will help to promptly identify and address any future errors. The error was corrected by journaling to the appropriate period as directed by auditors.</p> <p>Journalled to correct period at direction of auditors in December 2024 <i>06/06/2025</i></p> <p>Codey Redmond: one off error caused by change of staff at end of financial year. <i>28/02/2025</i></p>	<p>100% 100 / 100 -</p>

Goal	Audit ...	Prior ...	Implication	Risk As...	Audit Recommenda...	Management ...	Rate Add...	Residual Ri...	Treat...	Comment	Comp...
Untimely approval of purchase orders	Moderate	Yes	Purchases made without authorised purchase orders may increase the risk of unauthorised expenditure occurring and going undetected. Further it is more difficult for the Shire to track whether expenditure incurred is in line with budgets or expectations and is dependent on the receipt of a tax invoice.		Purchase orders are an important control in the procurement process as they ensure purchases are appropriate, necessary and comply with procurement policies prior to the receipt of goods or services. The Shire should ensure that purchase orders are raised and approved prior to the ordering of goods and or services.	At its June 2024 meeting the Audit and Risk Committee (ARC) considered this item and recommended to Council that appropriate controls were in place and that the treatment for non-compliance would be education and training followed by a HR process where applicable. At its June 2024 Ordinary Meeting Council agreed with the recommendation of the ARC and voted to accept the residual risk.	Adequate		Treat	<p>Rebecca Palumbo: The Audit and Risk Committee (ARC) reviewed the untimely approval of purchase orders in June 2024 and recommended that appropriate controls were in place. The treatment for non-compliance includes education and training, followed by HR processes where applicable. The Council accepted the residual risk for 2022/23 and 2023/24 during its June 2024 meeting. <i>06/06/2025</i></p> <p>Vanessa Green: Council resolved to accept the residual risk <i>06/03/2025</i></p>	100% 100 / 100 -
Lack of control on tracking usage of inventory	Moderate	No	There is an increased risk of inappropriate usage of inventory in the absence of controls around inventory. There is a further risk that inventory may not be fairly stated at year-end.		We recommend management puts in place a more stringent tracking mechanism for usage of inventory in order to mitigate any inappropriate usage and / or incorrect recognition of inventory balance.	Agreed. This was identified as a weakness particularly in relation to fuel supplies where the largest variance has been recorded. The installation of a new fuel tank will require the immediate recording of information and should prevent recurrence.	Inadequate		Treat	<p>Lindon Mellor: 24/02/2025 - New pump system in place which digitally records <i>24/02/2025</i></p>	100% 100 / 100 -

Goal	Audit ...	Prior ...	Implication	Risk As...	Audit Recommenda...	Management ...	Rate Add...	Residual Ri...	Treat...	Comment	Comp...
Inappropriate User Access in Synergy	Moderate	No	Access privileges for users beyond those necessary to perform their assigned duties might result in the recording of unauthorised, non-existent or inaccurate transactions, improper changes to data, or destruction of data.		Super user access should be limited to privileged users (ideally in the IT service providers/IT departments).	At its June 2024 meeting the Audit and Risk Committee (ARC) considered this item and recommended to Council that appropriate access was in place. At its June 2024 Ordinary Meeting, Council agreed with the recommendation of the ARC and voted to accept the residual risk. Noting the recommendation of the auditors, the Shire will trial a restricted access for the Finance Manager for a period of 6 months from January 2025 assessing the impact upon financial operations. Should this be successful the restricted access will be put in place permanently.	Inadequate		Treat	<p>Rebecca Palumbo: At its June 2024 meeting the Audit and Risk Committee (ARC) considered this item and recommended to Council that appropriate access was in place. At its June 2024 Ordinary Meeting, Council agreed with the recommendation of the ARC and voted to accept the residual risk.</p> <p>In line with the auditors' recommendation, the Shire implemented a trial of restricted access for the Finance Manager beginning in January 2025 to assess the impact on financial operations. Following a successful trial, the restricted access will now be implemented on a permanent basis.</p> <p>06/06/2025</p> <p>Vanessa Green: Council resolved to accept the residual risk</p> <p>06/03/2025</p>	<p>100% 100 / 100 -</p>

Goal	Audit ...	Prior ...	Implication	Risk As...	Audit Recommenda...	Management ...	Rate Add...	Residual Ri...	Treat...	Comment	Comp...
Old PPE assets carried in the Fixed Asset Register	Moderate	No	The accumulation of numerous low value assets in the FAR can impact the efficiency of asset management and may lead to potential inaccuracies in financial reporting. Also, the FAR might be carrying assets which no longer physically exist at the Shire.		It is recommended for the Management to periodically review the FAR along with physical existence of assets to ensure the FAR carries only those assets which are in use by the Shire.	For surety we will complete a review of all older assets with a low carrying value and remove any found to no longer be in use. Asset addition and disposal processes are already in use by the Shire however, we acknowledge there may be items that were disposed of prior to the commencement of these processes which warrant investigation and appropriate treatment.	Inadequate		Treat	<p>Rebecca Palumbo: A review of older assets with low carrying values will be conducted to remove any that are no longer in use or have fallen below material threshold. While asset addition and disposal processes are already in place, we acknowledge that some items disposed of before these processes began may require investigation and appropriate treatment. These assets will be removed from the register before the end-of-year asset reconciliation in June 2024</p> <p>Assets no longer in use or immaterial were removed prior to interim audit in May 2025</p> <p>06/06/2025</p>	<p>82% 82 / 100 18% behind</p>

Goal	Audit ...	Prior ...	Implication	Risk As...	Audit Recommenda...	Management ...	Rate Add...	Residual Ri...	Treat...	Comment	Comp...
Untimely review of the credit card policy	Minor	No	Untimely review and update of the credit card policy poses a risk that the control procedure is implemented is outdated or inappropriate.		We recommend management to review the credit card policy on an annual basis and update the procedure in line with Shire's internal control.	The review period of all policies was considered as the Shire moved to its Integrated Planning and Reporting software. It was identified that a two year review of Policy F6 – Corporate Credit Card Policy was sufficient, thus Policy F6 was not due for review within the reporting period. The current policy has been reviewed by the Executive Leadership Team and there are no circumstances that require amendments. Officers will present this to Council for noting in December 2024.	Inadequate		Treat	Vanessa Green: Council considered review of credit card policy at its December 2024 OCM <i>06/03/2025</i>	100% 100 / 100 -
Former employee listed as authorised signatory in AMP Bank Confirmation	Minor	No	There is the risk that the parties no longer associated with the Shire have access to the Shire's bank accounts and may result in unauthorised access or processing of unauthorised payments.		It is recommended management removes terminated employees as authorised bank signatories.	Noted. We have instructed the bank to remove the terminated employee. We note that our new Finance Manager was not added as an authorised signatory as per our May 2024 instruction and are seeking correction to this also.	Inadequate		Treat	Rebecca Palumbo: Bank access updated December 2024. Continued effort to be made to remove signatories as staff changes. <i>06/06/2025</i> Codey Redmond: oversite by IAM banking who manages our AMP investments. problem rectified while auditors where still onsite. <i>28/02/2025</i>	100% 100 / 100 -

Goal	Audit ...	Prior ...	Implication	Risk As...	Audit Recommenda...	Management ...	Rate Add...	Residual Ri...	Treat...	Comment	Comp...
Guidelines for general journals	Minor	Yes	Where journal procedures are not regularly updated, there is a risk that they are no longer effective and do not reflect current requirements, internal practice or expectations.		The Shire should ensure that the Management Guidelines General Journals procedure is updated.	Noted.	Inadequate		Treat	<p>Rebecca Palumbo: The Shire's current journal procedures have been deemed satisfactory by the external auditors Nexia in its 2023/24 audit process. To ensure continued accuracy and compliance, Officers will formalise the Management Guidelines for General Journals based on these existing practices. This update will be completed by 30 June 2025.</p> <p><i>06/06/2025</i></p> <p>Rebecca Palumbo: Process documented @Codey Redmond @Iona Sheehan-Lee please provide copy of process and upload to this Goal. Also share with ACEO. Thanks</p> <p><i>11/05/2025</i></p>	<p>75% 75 / 100 25% behind</p>

10 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

11 QUESTIONS FROM MEMBERS WITHOUT NOTICE

12 BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

13 CLOSURE