



AGENDA

Audit Committee Meeting

I HEREBY give NOTICE that an Audit Committee Meeting will be held on:

14 April 2025

Shire of Victoria Plains
Council Chambers, Calingiri
AND
via E-Meeting Protocol

Commencing – 10:30 AM



DISCLAIMER:

The recommendations contained in this document are officers' recommendations only and should not be acted upon until Council has resolved to adopt those recommendations.

The resolutions of Council should be confirmed by perusing the minutes of the Council meeting at which these recommendations were considered. Resolutions are not considered final until the minutes of the meeting are confirmed or advised in writing by the CEO or authorised person.

Members of the public should also note that they act at their own risk if they enact any resolution prior to receiving official written notification of Council's decision.

Recording of Meeting

Members of the public are advised that meetings of Council are audio recorded to assist with ensuring an accurate record of the meeting is provided for the formal minutes of the meeting. In terms of the Privacy Act 1998 this may involve the recording of personal information provided at the meeting. The provision of any information that is recorded is voluntary, however if any person does not wish to be recorded they should not address or request to address the meeting. By remaining in this meeting, you consent to the recording of the meeting.

You are not permitted to record this meeting with any recording device, unless you have the express authorisation of the Council of the Shire of Victoria Plains.

E – Disclaimer

It is the Presiding Member's responsibility to preserve order in the meeting and this can be more difficult in an eMeeting. Therefore, each Council Member must consistently and respectfully follow the Local Government's Meeting Procedures Local Law, any additional eMeeting guidance provided by the Local Government and support the Presiding Member in their conduct of the eMeeting.

The pace of an eMeeting should be slow and orderly. The following practices will help avoid confusion and support effective eMeetings:

Speak clearly and slowly, as connections may be distorted or delayed;

Always state your name to indicate to the Presiding Member that you wish to speak. Restate your name if the Presiding Member has not heard you at first;

In debate, only speak after the Presiding Member has acknowledged you. Then state your name, so that others know who is speaking;

Follow the Presiding Member's directions and rulings;

If you are unclear about what is happening in an eMeeting, immediately state your name to draw the Presiding Member's attention and enable you to then seek clarification from the Presiding Member;

Avoid looking for opportunities to call Points of Order; instead, politely and respectfully gain the Presiding Member's attention and explain any deviation from your Meeting Procedures, the Local Government Act or any other relevant matter.

Commonly used abbreviations	
AAS / AASB	Australian Accounting Standard / Australian Accounting Standards Board
BF Act	Bush Fire Act 1954
BFB	Bush fire brigade
CEO	Chief Executive Officer
CDO	Community Development Officer
DBCA	Dept of Biodiversity, Conservation and Attractions
DFES	Dept of Fire and Emergency Services
DPLH	Dept of Planning, Lands and Heritage
DWER	Dept of Water and Environmental Regulation
EHO	Environmental Health Officer
EFT	Electronic Funds Transfer
FAM	Finance and Administration Manager
JSCDL	Parliamentary Joint Standing Committee on Delegated Legislation
LEMA	Local Emergency Management Arrangements
LEMC	Local Emergency Management Committee
LG Act	Local Government Act 1995
LGGC	WA Local Government Grant Commission
LPP	Local Planning Policy
LPS	Local Planning Scheme
MOU	Memorandum of Understanding
MRWA	Main Roads WA
NNTT	National Native Title Tribunal
OAG	Office of Auditor General
OCM	Ordinary Council Meeting
PTA	Public Transport Authority
RRG	Regional Roads Group
RTR	Roads to Recovery
SAT	State Administrative Tribunal
SEMC	State Emergency Management Committee
SGC	Superannuation Guarantee Contribution
SJAA	St John Ambulance Association
SWALSC	South West Aboriginal Land and Sea Council
WAEC	WA Electoral Commission
WALGA	WA Local Government Association
WSM	Works and Services Manager
WSFN	Wheatbelt Secondary Freight Network
EPA	Environmental Protection Authority
DPIRD	Department of Primary Industries and Regional Development
HCWA	Heritage Council of Western Australia
WAPC	Western Australian Planning Commission
WDC	Wheatbelt Development Commission

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	Nil	
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AGENDA

Audit Committee Meeting of the Victoria Plains Shire Council

To be Held in the Shire of Victoria Plains, Council Chambers, Calingiri, AND, via E-Meeting Protocol

on 14 April 2025 commencing at 10:30 AM

1 DECLARATION OF OPENING

1.1 Opening

1.2 Announcements by Chairperson

2 REMOTE ATTENDANCE BY ELECTED MEMBERS

THAT:

Under regulation 14C (2)(b) of the Admin Regulations, the Shire President can approve Elected Member attendance by electronic means;

In doing so, under r.14C (5) the Shire President must have regard as to whether the location that the Elected Member intends to attend the meeting, and the equipment intended to be used to attend the meeting, are suitable;

Electronic means includes, as per r.14CA(2) by telephone or video conference;

Suitable equipment would include an electronic device that can hold a Teams meeting, and perhaps, the use of headphones;

In accordance with r.14CA (5) the Elected Member must declare that they are able to maintain confidentiality during the meeting. Under r.14CA(7), the declaration by the Elected Member is recorded in the minutes of the meeting;

Summarily, according to Departmental guidance, a suitable location is one that is quiet and private e.g. a private room in your house. If there are other people at the location at the time of the meeting, an Elected Member may be required to close a door and wear headphones.

Approval to Attend and Declaration of Confidentiality
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THAT:

Cr _____ has been approved to attend the 14 April 2025 Audit Committee Meeting by electronic means as approved by the Chairperson and that a declaration has been received regarding confidentiality and other requirements as noted in Section 2 herewith.

3 RECORD OF ATTENDANCE

Members present

Staff attending

Apologies

Approve leave of absence N/A

Visitors

Members of the public

4 DISCLOSURES OF INTEREST

Refer – Local Government Act, Regulations, Code of Conduct, and Declaration Forms in Councillor folders.

Type	Item	Person / Details.
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5 PUBLIC QUESTION TIME

Refer – Local Government Act, Regulations, Local Law and Submission Form & Guidelines circulated.

5.1 Public Questions with Notice

Nil

5.2 Public Question Without Notice

6 CONFIRMATION OF MINUTES

That the minutes of the Audit Committee Meeting held 26 March 2025 as circulated, be **CONFIRMED** as a true and correct record.

7 REPORTS REQUIRING DECISION

7.1 Updates on the Functions of the Audit Committee

Nil

7.2 External Audits

7.2.1 Audit Entry Meeting and Audit Strategy Memorandum 2024-25

File Reference	
Report Date	9 April 2025
Applicant/Proponent	Audit Committee
Officer Disclosure of Interest	Nil
Previous Meeting Reference	Nil
Prepared by	Colin Ashe – Deputy Chief Executive Officer
Senior Officer	Sean Fletcher – Chief Executive Officer
Authorised by	Sean Fletcher – Chief Executive Officer
Attachments	<ol style="list-style-type: none"> William Buck Entrance meeting Agenda Audit Strategy Memorandum

PURPOSE

This entry meeting is to introduce and brief the audit committee on the audit planning as part of the entrance meeting for financial year 2024-25.

BACKGROUND

William Buck Chartered Accountants as appointed by the Office of the Auditor General (OAG) undertook the audit for 2023-24 and have been reappointed as the shire's auditors. As part of this process an Audit Strategy Memorandum has been provided which includes:

- Audit Approach.
- Significant audit and accounting focus areas.
- Prior year management letter.

COMMENT

The Audit Strategy Memorandum provided in attachment 2 has been reviewed and agreed with on standard requirements and with the addition of:

- Implementation of the New Accounting System
- Local Government Reforms.

William Buck Chartered Accountants will provide a verbal summary on the audit approach and focus areas for information.

Included in the Audit Strategy Memorandum is the Management Representation Letter summary 2024-245 findings which the auditors will raise and seek updates if the matters have been addressed.

For the Audit Committee the following represents the status:

	RATING			
Findings	Significant	Moderate	Minor	Resolved
1. Unallocated Receipt Reserve		✓		No
2. Revenue Cut-Off issues		✓		Yes
3. Employment contract		✓		Yes
4. Disaster Recovery Plan		✓		No

5. Credit Card Balances			✓	Yes
6. Useful life of infrastructure			✓	Yes

The Audit Strategy Memorandum provides key timings dates including;

19-22 May 25 – on site interim audit.

06-10 Oct 25 – final on-site audit visit.

21 Oct 25 – review and management letter.

Mid Nov 25 - exit meeting and audit report.

Other audits are planned to be completed earlier in terms of submitting the information for grant funding such as Roads to Recovery (R2R) and LRCl, attracting an additional audit cost over the quoted OAG amount of \$40,992.

CONSULTATION

Mr Sean Fletcher, Chief Executive Officer.

Ms Glenn Deocampo, Coordinator Financial Services.

STATUTORY CONTEXT

Local Government Act 1995 Part 7.

Local Government (Audit) Regulations 1996.

CORPORATE CONTEXT

Audit Committee Terms of Reference

Strategic Business Plan/Corporate Business Plan

STRATEGIC PRIORITIES		WE KNOW WE ARE SUCCEEDING WHEN	
4. CIVIC LEADERSHIP			
4.3 Proactive and well governed Shire		External audits and reviews confirm compliance	
		We have sound financial management policies and attract external funding to help achieve our goals	
		Councilors attend training and feel supported in their role	
		Council is supported by a skilled team	

Strategic Priority 4.3 will be facilitated through the audit process of which this exit meeting will provide a true and fair view of councils finances and areas as applicable.

Delegation

Nil

Policy Implications

Section 3 – Financial Management

Other Corporate Document

Nil

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
Compliance	Major (4) Non-compliance results in termination of services or imposed penalties to Shire/Officers	Possible (3) The event should occur at some time	High (12)	Senior Management Team / CEO Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Ensuring any recommendations from the audit are implemented will ensure that the residual risk is low.

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

Officer RecommendationThat the Audit Committee **RECEIVE** the Audit Strategy Memorandum for 2024-25.

**WilliamBuck**

Entrance Meeting

ANNUAL FINANCIAL AUDIT OF THE SHIRE OF VICTORIA PLAINS FOR THE YEAR ENDING 30 JUNE 2025

ATTENDEES:

Shire of Victoria Plains

Cr Pauline Bantock	Councillor (President)
Cr Suzanne Woods	Councillor (Deputy President)
Cr David Lovelock	Councillor
Cr Stephanie Penn	Councillor
Cr Rebecca Johnson	Councillor
Sean Fletcher	CEO
Colin Ashe	Deputy CEO
Candice Watson	Personal Assistant to CEO (Optional)
Julie Klobas	Council Meeting Officer (Optional)

Office of the Auditor General

Carly Meagher	Director
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William Buck

Deborah Chin	Director
Grace Ng	Manager
Milvert Ling	Intermediate Auditor

Interview Date & Time:

Monday, 14th April 2025 at 10.30am

Location:

via Microsoft Teams / teleconference

Agenda

1. Introduction
2. Audit Strategy Memorandum
3. Closing Comments

William Buck

ACCOUNTANTS & ADVISORS



Shire of Victoria Plains

Audit Strategy Memorandum
Year Ending 30 June 2025

williambuck.com



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PUBLIC AUDIT AGENDA



Introduction

This Audit Strategy Memorandum ("ASM") sets out our approach to the audit of the Shire of Victoria Plains ("the Shire") for the financial year ending 30 June 2025.

William Buck conducts an independent audit in order to enable the Auditor General to express an opinion regarding the financial report. Our audit is conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal controls and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements will be detected.

We perform procedures under the Auditor General Act 2006 to assess whether in all material aspects all procedures are performed in accordance with the *Local Government Act 1995*, *Local Government (Financial Management) Regulation 1996* and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Shire's financial position, and of its performance as represented by the results of its operations and cash flows.

Our audit approach is designed to specifically focus audit attention on the key areas of risks faced by the Shire in reporting on finances and performance. We form our recommended audit opinion on the basis of these procedures, which include:

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates.

We will carry out such work as is necessary to form an opinion as to whether the accounts of the Shire are properly kept, and the annual financial report is prepared in accordance with these financial records.

Our approach focuses on the key risk areas where the potential for misstatement of account balances is considered greatest; and

This ASM is an integral part of the audit planning process. It is a preliminary audit plan, which will be updated with any issues identified during the course of the audit.

The Shire prepares general purpose financial statements in accordance with the Australian Accounting Standards and the financial reporting provisions of the *Local Government Act 1995* and the *Local Government (Financial Management) Regulation 1996*.

Audit Approach

Our Audit approach focuses on the following:

- key risk areas where the potential for misstatement of account balances is considered greatest;
- key strategic business risks and related financial statement risks that are highly dependent on IT systems and environment;
- the use of IT within the Shire which will affect the way that control activities are implemented;
- whether the Shire's controls over the IT systems are effective and that they maintain the integrity of information and the security of the data;



- nature, extent and scope of the internal audit work that has been performed, the related findings and its relevance to the external audit overall audit strategy and plan;
- management's assessment of the risk that the financial report may be materially misstated due to fraud, including the nature, extent and frequency of such assessments;
- management's processes for identifying and responding to the risks of fraud and the internal control that management has established to mitigate these risks;
- effectiveness of relevant internal controls on all business cycles including expenses, the different revenue streams, and payroll which we will test annually via controls and substantive procedures. The different revenue streams which we will be testing include rates, fees, grants, subsidies and contributions;
- effective two-way communication between the auditor and those charged with governance with timely observations arising from the interim and final audit that are significant and relevant presented in the Management Letter;
- our views about significant qualitative aspects of the Shire's accounting practices, including accounting policies, accounting estimates and financial report disclosures listing presented in the Management Letter; and
- the determination of materiality affected by our perception of the financial information needs of the users of the financial report. As we develop our audit strategy and audit plan, we consider materiality at least at two levels: at the overall level, as it relates to the financial report taken as a whole – Planning Materiality (PM); and at the performance level (PLM).

In accordance with our approach, the phases of our audit will be as follows:

- Preliminary planning
 - Update knowledge of the Shire's business
 - Update understanding of the Shire's accounting process
 - Perform preliminary analytical review procedures
 - Assess the effectiveness of the control environment
- Risk assessment process
- Documentation and communication of audit plan
- Evaluation and testing of internal controls (as appropriate)
- Execution of substantive auditing procedures
- Evaluation of audit results, potential errors, and resolution of audit issues
- Audit conclusions
- Financial statements review
- Subsequent events review

Audit Team

Audit Director	-	Deborah Chin
Audit Manager	-	Grace Ng
Office of Auditor General	-	Indika Dias



Preliminary identification of significant audit and accounting focus areas

Audit and accounting areas of focus are as follows:

1. Revenue Recognition

The Shire's main sources of revenue are rates, fees and charges. The Shire also receives significant grants, subsidies and contributions. Completeness, existence and accuracy of revenue are identified as a risk.

We will also:

- document the process and related controls over revenue and perform a walkthrough to confirm our understanding;
- test of internal controls relating to the revenue process;
- perform substantive test of details and analytical review on rates, fees and charges as well as grants, subsidies and contributions;
- perform cut off testing by evaluating revenue transactions either side of the balance sheet date as well as review credit notes issued after year end; and
- review management's revenue recognition policy and determine whether the policy is in accordance with AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income for Not For Profit Entities*.

We will also verify if all revenue related management letter points raised in the FY 2024 audit have been addressed this year.

2. Employee Expenses and Provisions

Employee costs is one of the major expenses of the Shire. Employee costs comprise of wages and salaries and employee on-costs.

We will also:

- document the payroll and related controls over payroll and perform walkthroughs to confirm our understanding;
- test of internal controls relating to payroll and employee related liabilities;
- perform test of details on employee annual leave and long service leave provisions; and
- perform substantive analytical review of employee costs and related liabilities.

For annual leave and long service leave provisions which are derived from accounting estimates, we will review the method and underlying data that management uses when determining critical accounting estimates. This will include considering the reasonableness of assumptions and corroborating representations.

We will also verify if all payroll related management letter point raised in FY 2024 audit have been addressed this year.



3. Materials and Contracts

Another major expense of the Shire are materials and contracts. We will document and assess controls relating to the materials and contracts process.

We will also:

- document the process and related controls over materials and contracts expenditure and perform a walkthrough to confirm our understanding;
- test of internal controls relating to materials and contracts expenditure with regard to areas such as tendering, supplier's selection process (including checking to completed verbal quotation forms where necessary), approval and contracting;
- perform substantive test of details and analytical review on materials and contracts expenditure; and
- obtain the current policies and procedures implemented on the procurement process and ensure that they are reviewed on a regular basis and that they are aligned with the Local Government Act and Regulations.

4. Cash and Cash Equivalents

The Shire has a significant cash and cash equivalent balance represented mainly by bank balances, restricted and unrestricted cash. There is a potential risk of misappropriation, unauthorised use, and incorrect classification in the financial report in accordance with the relevant accounting standards.

We will:

- obtain and review bank reconciliations and bank statements of the municipal, trust accounts and term deposit statements as at reporting date and ensure evidence of the preparer and reviewer are recorded;
- obtain a bank confirmation and investigate any significant exceptions;
- verify that restricted cash and cash equivalents have been used for their intended purposes;
- ensure the correct split between unrestricted and restricted cash and ascertain that it is in accordance with the imposed regulations and legislation;
- perform test of controls on the bank reconciliation procedures; and
- review terms and conditions to verify if term deposits have been correctly classified in the financial report in accordance with the Shire's applicable accounting policies and the relevant accounting standards.

We will also verify if all cash and cash equivalent related management letter point raised in FY 2024 audit have been addressed this year.

5. Recoverability of Debtors

Collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account when objective evidence that the Shire will not be able to collect its debts has been established.

We will:

- review the Shire's ongoing assessment of the recoverability of receivables;
- test after-date receipts to assess whether receivables are recoverable in accordance with the Shire's accounting policy; and



- assess any potential provision for expected credit loss.

6. Property, Plant and Equipment and Infrastructure

The Shire owns significant amounts of property plant and equipment and infrastructure. Impairment, valuation, accuracy of the depreciation charge and appropriateness of asset capitalisation are identified as risks.

We will review the asset capitalisation policy and its implementation to check that it is in accordance with AASB 116 *Property, Plant and Equipment*, and Regulation 17A(5) of the *Local Government (Financial Management) Regulations 1996*.

AASB 2022-10 – Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities The change to the accounting standards applies to the revaluation of land and buildings and infrastructure assets and requires valuers and management value assets based on the current use being presumed to be the highest and best and not the market approach, taking into account public sector restrictions.

- AASB 2022-10 – Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities The change to the accounting standards applies to the revaluation of land and buildings and infrastructure assets and requires valuers and management value assets based on the current use being presumed to be the highest and best and not the market approach, taking into account public sector restrictions.

The Shire has revalued land/ buildings and infrastructure assets in financial years ended 30 June 2022 and 30 June 2023 respectively and do not intend to revalue any assets for this financial year therefore this change must be considered for the next revaluation.

- Recalculate depreciation and review the reasonableness of the assets useful life;
- verify significant additions and disposals;
- evaluate management's assessment of impairment; and
- consider the appropriateness of the accounting treatment of costs incurred as either maintenance or capitalised as asset enhancements.

We will also verify if all property, plant and equipment and infrastructure related management letter point raised in FY 2024 audit have been addressed this year.

7. Provision for Landfill Site Rehabilitation

The Shire has 3 landfill sites = Mogumber, Bolgart and Calingiri. These sites are licensed under the Department of Water and Environment Regulation. Completeness and accuracy of this provision is identified as a risk.

We will consider whether there are any changes in circumstances which indicate that there is an obligation to remediate the landfill sites. If a provision is required, we will evaluate this provision by agreeing the estimated balance to the actuarial valuation. We will evaluate the appropriateness of the valuation model and the experience and qualification of the valuer. We will also evaluate judgements, assumptions and inputs used in the provision estimate, and we will ensure appropriate disclosures have been made in the annual financial report.

8. Disclosure of Related Party Transactions

The Shire has transactions with related parties which are on normal commercial terms and conditions. There is a risk that related party transactions and balances are not appropriately disclosed in the financial report in accordance with the Shire's applicable accounting policies and the relevant accounting standards.

We will address the risk of material misstatements of related party transactions and balances in the financial report as follows:

- review and determine whether the Shire's accounting policy is in line with AASB 124 *Related Party Disclosures*;
- make enquiries to understand the process for identification of related parties, review the register of related party transactions, and assess whether the disclosures made in the notes to the annual financial report are appropriate;
- obtain the councillor and key management personnel remuneration calculations to ensure that the amounts disclosed in the annual financial report are appropriate; and
- review the signed declarations from Key Management Personnel and ensure appropriate disclosures (if any) have been included in the notes to the annual financial report.

9. Implementation of New Accounting System

The Shire has implemented a new accounting system effective from 1 July 2024. The transitioned occurred between July and August 2024 whereby all accounting data has been transferred to the new system.

We will perform testing surrounding the data migration to ensure that the balances transferred over from the old accounting system to the new accounting system are accurate. The 30 June 2024 audited balances will also be compared to the 30 June 2024 balances in the new accounting system to ensure that the opening balances for FY 2025 is accurate.

Amendments / revisions to Australian Accounting Standards (AASB) and Local Government Legislation

Local Government Reforms

The *Local Government Amendment Act 2024* was ratified on 6 December 2024 and introduces various amendments to the *Local Government Act 1995* seeking to enhance transparency and accountability while reducing red tape across the WA local government sector.

The reforms aim to:

- clarify the roles and responsibilities of mayors and presidents, councillors and local government CEOs;
- require councils to adopt a rates and revenue policy to facilitate better financial planning and increase public transparency about rate increases;
- widen the scope of audit, risk and improvement committees and ensure these committees have an independent Chairperson who can be shared between smaller local governments;
- require councils to document the reasons for closing part of a meeting to the public while reducing unnecessary instances of closed meetings; and
- facilitate the shared employment of local government CEOs and senior employees.



We will review management's assessment of the impact of the changes to the Local Government Act, as they come into effect, and ensure the Shire complies with the relevant requirements of the reforms.

Australian Accounting Standards

Key changes to accounting standards that impact your entity for the first time this year:

- AASB 2020-1 *Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*
- AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sale and Leaseback*
- AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants*
- AASB 2022-10 *Amendments to Australian Accounting Standards – Fair Value Measurement of Non-Financial Assets of Not-for-Profit Public Sector Entities*
- AASB 2023-1 *Amendments to Australian Accounting Standards – Supplier Finance Arrangements.*

The amended accounting standards do not have a material impact on the Shire in the current year.

Internal Audit

We seek to rely on internal audit work to reduce our own audit work wherever possible. This avoids duplication of audit effort and the associated workload on your operational and administrative staff.

We have been advised no internal audits that have been carried out in this financial year.

Management Representation Letter

Auditing Standards require management to sign a management representation letter. This letter should be reviewed and tailored to meet your Shire's particular circumstances and be signed and dated as close as practicable to the date of the proposed audit opinion. Ordinarily, this would be no longer than five days prior to the issue of the opinion.

We will also request the Chief Finance Officer (CEO) signs the financial statements to confirm:

- They have fulfilled their responsibility for the preparation of the annual financial report in accordance with the *Local Government Act 1995*, *Local Government (Financial Management) Regulation 1996* and Australian Accounting Standards;
- They provided us with access to all relevant information necessary or requested for the purpose of the audit; and
- All transactions have been recorded and are reflected in the financial report.



Prior Year Management Letter

We noted the following issues in the prior year management letter. We will follow up on the status of management's action to rectify these points and assess implication in the current year.

FINDINGS	RATING		
	Significant	Moderate	Minor
1. Unallocated Receipt Reserve		✓	
2. Revenue Cut-Off issues		✓	
3. Employment contract		✓	
4. Disaster Recovery Plan		✓	
5. Credit Card Balances			✓
6. Useful life of infrastructure			✓

Related Entities

The Shire is required to advise us in writing details of all related entities that are in existence at reporting date.

Section 7.12AL of the *Local Government Act 1995* applies section 17 of the *Auditor General Act 2006* to a local government. Section 17 requires a local government to advise the Auditor General in writing of details of all related parties and entities that are in existence.

Reporting Protocols

Significant issues identified during the course of the audit will be discussed with relevant staff and management as soon as possible after being identified. Draft management letters will be provided to your CEO for coordination of comments from appropriate members of your management. We request that these be returned, preferably within 10 working days.

At the conclusion of the audit, the abovementioned management letter will accompany the auditor's report and the audited annual financial report forwarded to the President, the CEO and the Minister for Local Government. The management letter is intended to communicate issues arising from the audit that may impact on internal control, compliance, and financial reporting. Where considered appropriate, and to ensure timely reporting of audit findings and action by management, interim management letters may be issued to the CEO.

On conclusion of the audit, we propose to discuss the audit outcomes with the audit committee, CEO and Councillors.

Thereafter, as required by section 7.12AD(2) of the *Local Government Act*, we will give our auditor's report to the CEO, the President and Minister. We will also give them any management letter issues, including interim management letters.

Specific matters resulting from issues identified during the audit may be reported in an Auditor General's Report to Parliament. Should this occur, you will be consulted in advance to assure the context and facts of the issue are adequately represented.



Timing of Events

Events

Entrance Meeting

Information per high level information request list to be provided to the Shire

- Interim
- finals

Interim Audit

Communicate interim audit issues to OAG (if any)

Final Audit Visit Commencement

Signed Draft Financial Report

Reporting to OAG

- File Review and any final management letter issues
-
- Exit Meeting
- Council meeting for the tabling of the financial report
- Issue of Opinion, Management Letter and Other Reporting Documents

Timing

14 April 2025

By 14 April 2025

By 8 September 2025

19 May to 22 May 2025

4 June 2025

6 October to 10 October 2025

By 30 September 2025

21 October 2024

Mid- November 2025 (TBC)

Mid- November 2025 (TBC)

Mid- November 2025 (TBC)

Shire of Victoria Plain's Responsibilities

The Shire will be responsible for the following items:

- preparation of the schedules required for the audit as advised and requested by the auditors; and
- preparation of good quality financial statements and notes to the financial statements. The schedules for the notes to the financial statements must be in the form and content as prescribed in the statutory financial statements.



Other Audit Activities

The OAG has recently tabled a number of reports to Parliament, which are available at www.audit.wa.gov.au.

In reporting, we aim to identify good practice and opportunities for improvement. You may therefore wish to review these reports as the recommendations may have relevance to your entity.

- Implementation of the Aboriginal Procurement Policy (November 2024)
- Supplier Master Files – Better Practice Guides (August 2024)
- Controls Over Agency Special Purpose Accounts (June 2024)
- Staff Exit Controls At Large Local Government Entities (June 2024)
- Local Government Physical Security of Server Assets (June 2024)
- Fraud Risk in the Management of Client Funds by the Public Trustee (June 2024)
- Local Government Management of Purchasing Card (June 2024)
- Local Government 2022-23 – Financial Audit Results (June 2024)
- Local Government IT Disaster Recover Planning (May 2024)
- Digital Identity and Access Management – Better Practice Guide (March 2024)

PUBLIC AUDIT AGENDA

7.3 Internal Audits

Nil

7.4 Financial Reporting

Nil

7.5 Risk Management Issues (quarterly updating and reporting on key risks)

Nil

7.6 Controls, Systems and Procedures (policy considerations, procedural considerations)

Nil

7.7 Matters of Compliance

Nil

7.8 Integrated Planning and Reporting

Nil

7.9 Training and Development (Elected Member Training, Committee Member Training and Staff training)

Nil

7.10 Status Report

Nil

8 CLOSURE OF MEETING