MINUTES

Audit Committee Meeting

30 July 2025

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

Commencing – 11.38 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

CONTENTS

MINUTES

Audit Committee Meeting of the Victoria Plains Shire Council
Held in the Shire of Victoria Plains, Council Chambers, Calingiri, AND
via E-Meeting Protocol on 30 July 2025 commencing at 11:38 AM

1 DECLARATION OF OPENING

1.1 Opening

The Meeting was declared open by the Presiding Member at 11.38 AM.

1.2 Announcements by Chairperson

The Chairperson reminded Elected Members that the meeting was being recorded for the purposes of Minute Taking and uploading of the recording to the Shire Website for public viewing and the meeting will be run in accordance with the Shire's Meeting Procedures Law 2018

2 REMOTE ATTENDANCE BY ELECTED MEMBERS

Approval to Attend and Declaration of Confidentiality

N/A

3 RECORD OF ATTENDANCE

Members present	Cr P Bantock – Shire President
	Cr S Woods
	Cr D Lovelock
	Cr R Johnson – Observer Only
Staff attending	CEO – Mr S Fletcher
	DCEO – Mr C Ashe
	Co-Ordinator Finanial Services [entered Chambers 11.43am] – Ms G Deocampo
	Council Support Officer – Ms J Klobas
Apologies	Nil

Approved leave of absence	N/A
Visitors	Nil
Members of the public	Nil

4 DISCLOSURE OF INTEREST

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

Type Item Person / Details

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

N/A

6 CONFIRMATION OF MINUTES

Officer Recommendation / Council Recommendation [ACM2507-22]

Moved: Cr D Lovelock **Seconded: Cr S Woods**

That the minutes of the Audit Committee Meeting held 14 April 2025 as circulated, be **CONFIRMED** as a true and correct record.

CARRIED UNANIMOUSLY BY DECISION OF COMMITTEE

Voted For: Cre P Bantock, Cr S Woods and Cr D Lovelock,

Voted Against: Nil

7 REPORTS REQUIRING DECISION

7.1 Updates on the Functions of the Audit Committee

Nil

7.2 External Audits

7.2.1 AUDITED ANNUAL FINANCIAL REPORT 2023-24 AND AUDIT EXIT MEETING

File Reference	
Report Date	8 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	1. William Buck Entrance meeting Agenda 2. 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 2023-24 finding 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 LRCI, 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 Recommendation / Committee Recommendation [ACM2507-23]

Moved: Cr S Woods **Seconded: Cr D Lovelock**

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

CARRIED UNANIMOUSLY BY DECISION OF COMMITTEE

Voted For: Cr P Bantock, Cr S Woods and Cr D Lovelock,

Voted Against: Nil

Co-Ordinator Financial Services entered Chambers at 11.43am.

7.2.2 OUTCOMES FROM THE INTERIM AUDIT 2024-25

File Reference	
Report Date	18 July 2025
Applicant/Proponent	N/A
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	1. OAG Interim Audit Results June 2025

PURPOSE

To present the audit committee with the interim audit 2024-25 findings and endorse the recommendations for remediation.

BACKGROUND

The interim audit was conducted in May 2025 by the shires auditors William Buck Accountants and findings presented back to OAG. Correspondence on these findings were provided from OAG to the CEO and Shire President as per attachment 1.

COMMENT

The interim audit highlighted some issues in Payroll as detailed in attachment 1 across four (4) employees rated as moderate by the auditors.

As per managements comments the administration issues of missing paperwork was during the time of transition to the new computer system and electronic records management by the previous Payroll Officer. General filing of records was raised by management to the Officer several times with the expectation this relatively simple task would be carried out but was not physically reviewed for completion.

This was at a busy time and transition but nevertheless a fair finding.

The other area of calculation is a minor amount monetarily but again should not occur given the layers of checks and balances already in place. Whilst management always reviews payroll before payment, it would be impossible to pick these calculations up (without doing the calculation themselves) hence there is a reliance on support staff to undertake the necessary checks.

These errors and mistakes are an inherit risk of doing business but accordingly, shire staff and management have implemented further processes to further reduce this risk as noted in managements comment.

CONSULTATION

Mr Sean Fletcher, Chief Executive Officer.

Ms Glenn Deocampo, Coordinator Financial Services.

Mrs Marie Freeman, Payroll / HR Officer.

STATUTORY CONTEXT

Part 7 of the Local Government Act 1995.

Local Government (Audit) Regulations 1996.

CORPORATE CONTEXT

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
	Councillors attend training and feel supported in their role
	Council is supported by a skilled team

Strategic Priority 4.3 of external audits and findings is essential to ensure compliance, reduce risk and highlight areas for improvement.

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 Recommendation / Committee Recommendation [ACM2507-24]

Moved: Cr S Woods **Seconded: Cr D Lovelock**

That the Audit Committee:

1. **NOTES** the interim audit findings.
2. **RECOMMENDS** to council to **ENDORSE** the additional measures as per managements comments to further reduce risk.

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

Voted For: Cr P Bantock, Cr S Woods and Cr D Lovelock,

Voted Against: Nil

7.3 Internal Audits

Nil

7.4 Financial Reporting

Nil

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

7.5.1 RISK DASHBOARD AND PROFILES SUMMARY

File Reference	
Report Date	17 July 2025
Applicant/Proponent	Sean Fletcher, Chief Executive Officer
Officer Disclosure of Interest	Nil
Previous Meeting Reference	Nil
Prepared by	Sean Fletcher – Chief Executive Officer
Senior Officer	Sean Fletcher – Chief Executive Officer
Authorised by	Sean Fletcher – Chief Executive Officer
Attachments	1. Shire Risk Dashboard and Profiles June 2025

PURPOSE

For the Audit Committee to accept the update regarding the Shire's Risk Profiles and Dashboard.

BACKGROUND

The Risk Profiles capture the Shire's 15 operational risks. These risks are monitored at the Executive/Management level. These are:

- Asset Sustainability
- Business and Community Disruption
- Compliance Obligations
- Document Management
- Employment Practices
- Community Engagement
- Environment Management
- Errors, Omissions and Delays
- External Theft and Fraud
- Management of Facilities, Venues and Events
- IT, Communication Systems and Infrastructure
- Misconduct
- Project / Change Management
- Purchasing and Supply
- WHS

As such, the dashboard and profiles have not been reported on since November 2024. However, the Senior Management Team did review the profiles at its meeting on 29 April 2025. Today's report considers the improvements since April 2025 and a series of actions to improve the Residual Risk even further.

COMMENT

Diagram 1 - Dashboard – Web Diagram of Risk Profiles November 2024

Dashboard One shows the following improvements to the risk profiles since February 2024:

- External Theft and Fraud transitioned from Adequate to Effective. In the main this is due to the implementation of Council First;
- 8 out of 15 Profiles, the Risk is accepted;
- 6 out of 15 were Monitor;
- 1 remained Urgent Attention (Asset Sustainability).

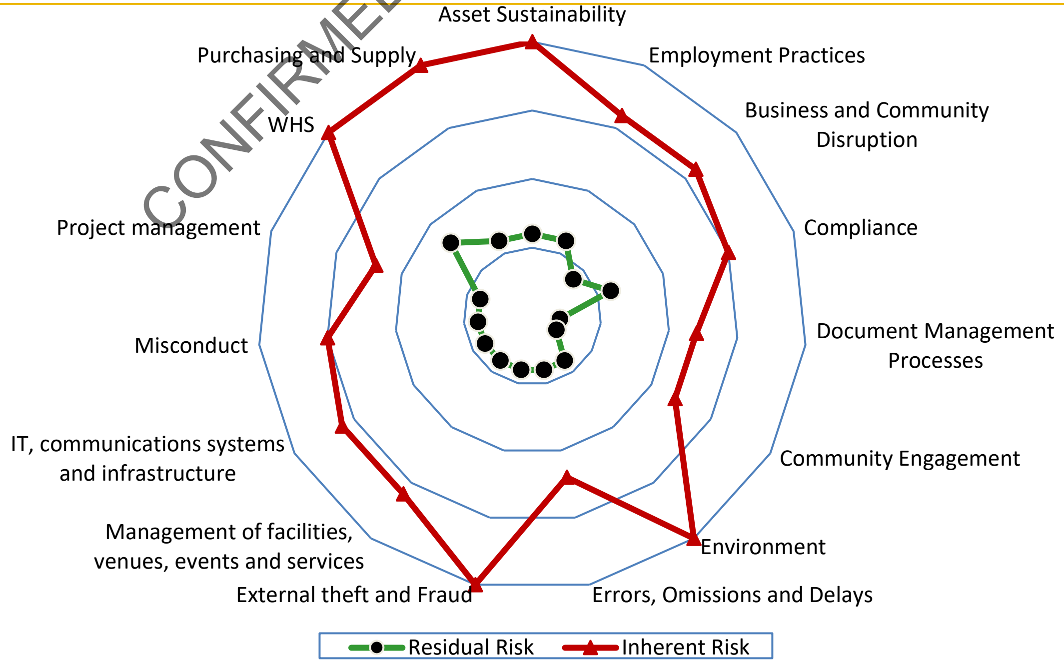

Diagram 2 - Dashboard – Web Diagram of Risk Profiles July 2025

The improvements since April 2025 encompass the following:

- Risk Accepted went from 8 to 9 out of the 15 Profiles (Misconduct);
- 6 out of 15 remain at Monitor Level;
- Asset Sustainability changed from Urgent to Monitor as the Local Heritage Strategy has been adopted and there is an Asset Management Strategy Implementation Plan in place.

Profile Breakdown – Risks Requiring Further Action

Table One sets out the status of the risk profiles regarding the risk acceptance that need further action:

Profile	Risk Acceptance Update – Monitor/Urgent Action
Asset Sustainability	• Development of the Building Maintenance Program completed • The Local Heritage Survey was adopted • The Development of the Disposal Process is still on hold • As a result of the improvements, the Residual Risk for Likelihood was changed from Possible (50/50) to Unlikely • Overall, the Residual Risk was changed from Extreme to Moderate with the Risk Evaluation set at Monitor
Business and Community Disruption	• Although the Risk Evaluation is Accept, the IT Disaster Recovery Plan will need to be included in the overall Disaster Recovery Plan
Compliance	• There is no change to this risk profile as the controls are considered adequate regarding the actions/treatments. However, the review of Council Policies is ongoing and thus the Risk Evaluation is Monitor.
Employment Practices	• Although progress has been made on the development of an Attraction and Retention Document and Staff continuing professional development, the Residual Risk still stays at Moderate with the Risk Evaluation set at Monitor
Errors, Omissions, Delays	• Overall Control Effectiveness remains at Effective. Residual Risk is Low but the Risk Evaluation is Monitor • CEO needs to develop the automated Key Work Plan using Microsoft Planner, which is part of the Office 365 Suite that the Shire has.
Misconduct	• Due to the Shire having effective controls in place regarding the review of the Delegations Register, cash handling procedures, Code of Conduct and so on, the likelihood of misconduct has moved from Possible to Unlikely. • This means that the Residual Risk is Low and the Risk Evaluation is Accept
Purchasing and Supply	• Contractor Management Procedures still need to be developed; • CEO is a member of the WALGA Procurement Group; • There is no change to Residual Risk and the Risk Evaluation remains at Monitor
WHS	• Tier 1 WHS assessment was conducted on 16/10/24. Action Plan will encapsulate improvements to SWMS. • Admin/WHS Officer provides quarterly WHS report to SMT Meetings. • Overall Effectiveness remains at Adequate. The Residual Risk remains Moderate. The Risk Evaluation remains at Monitor

Table One – Risk Profiles that are Monitor or Low Action

As a result of the latest review of the risk profiles based on Table One, the focus for the next 11 months will be the following (Diagram 3):

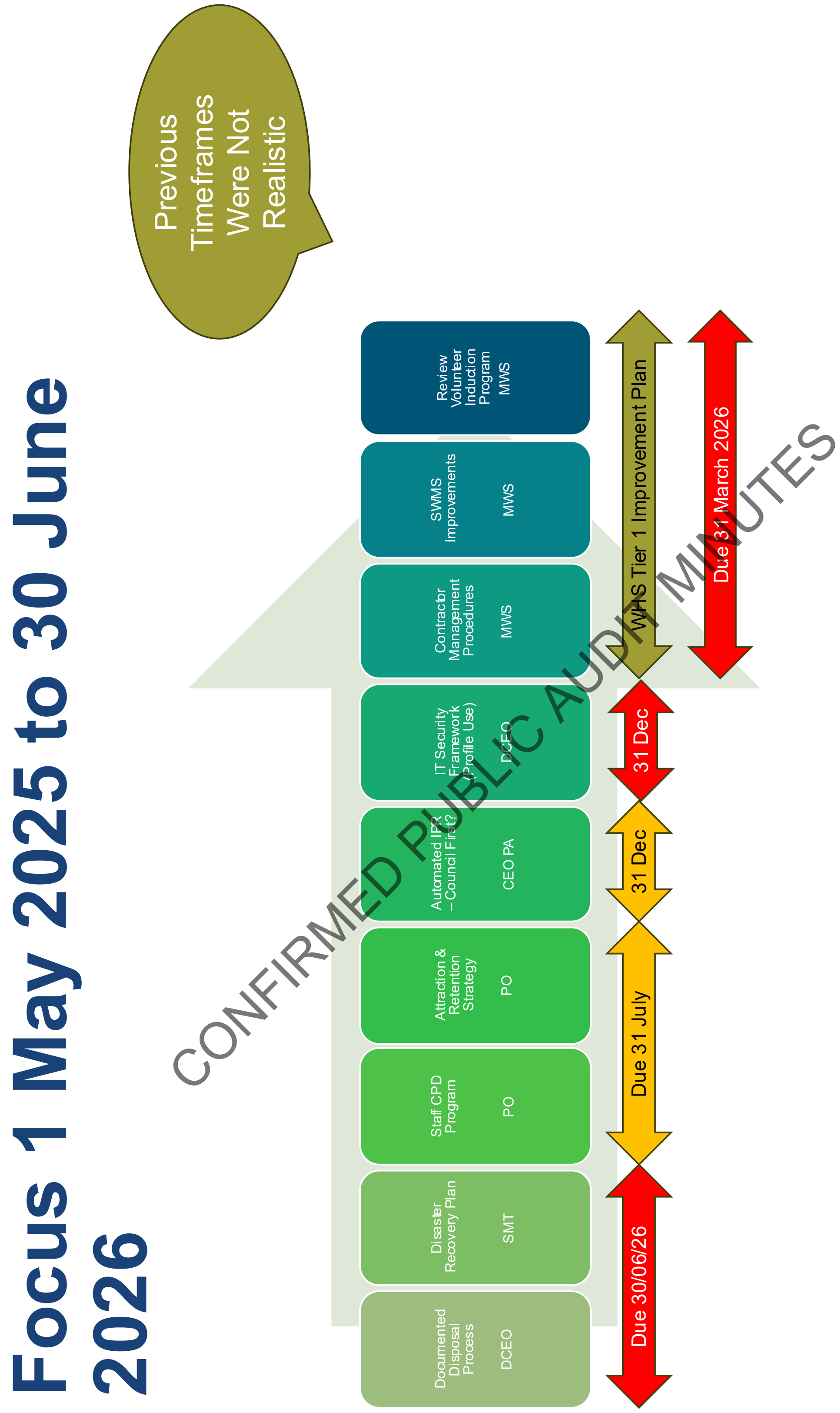

Diagram 3 -Risk Improvement Focus 1 November 2024 – 30 June 2025

CONSULTATION

Senior Management Team

STATUTORY CONTEXT

Local Government (Audit) Regulations 1996

Reg 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

CORPORATE CONTEXT

Strategic Business Plan/Corporate Business Plan

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
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	Councilors attend training and feel supported in their role
	Council is supported by a skilled team

The Risk Dashboard and Profiles are subject to the compliance process and auditing.

Delegation

Nil

Policy Implications

Nil

Other Corporate Document

Nil

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
	Non-compliance results in termination of service or imposed penalties. Single major litigation	The event should occur at some time(20% chance) At least once in 3 years		Risk acceptable with effective controls, managed by senior management / executive and subject to monthly monitoring	

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

Officer Recommendation / Committee Recommendation [ACM2507-25]

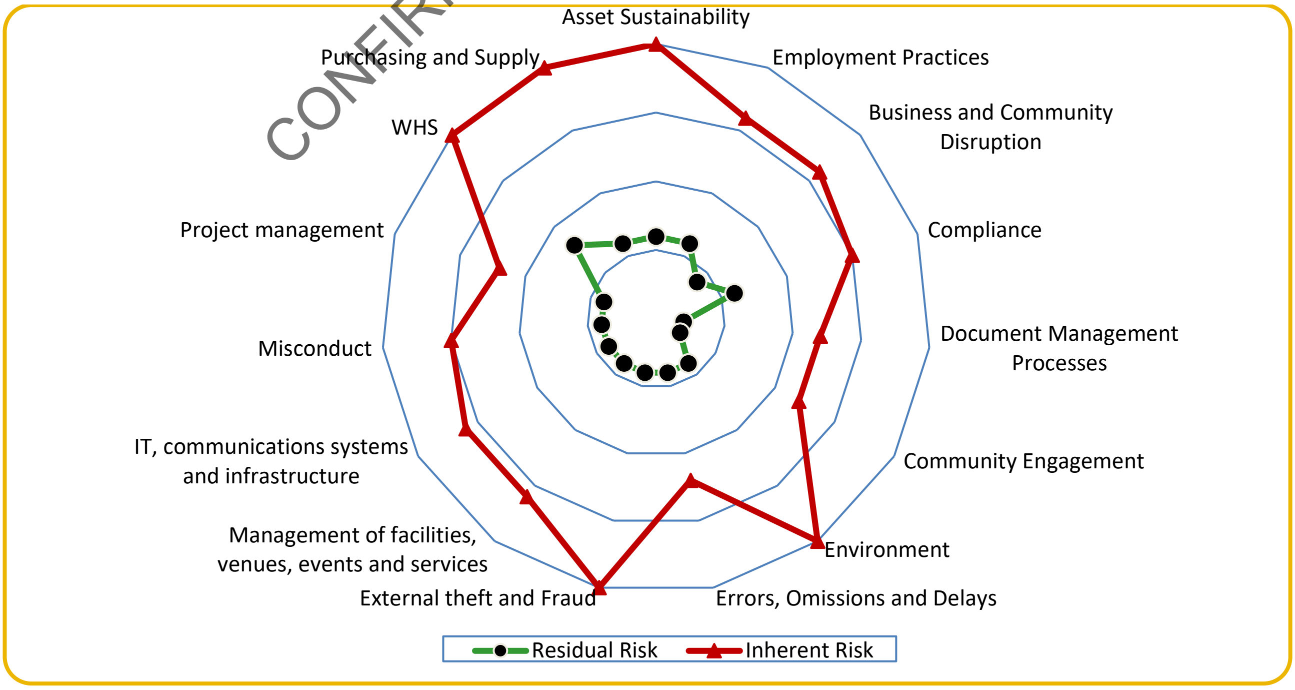
Moved: Cr D Lovelock **Seconded: Cr S Woods**

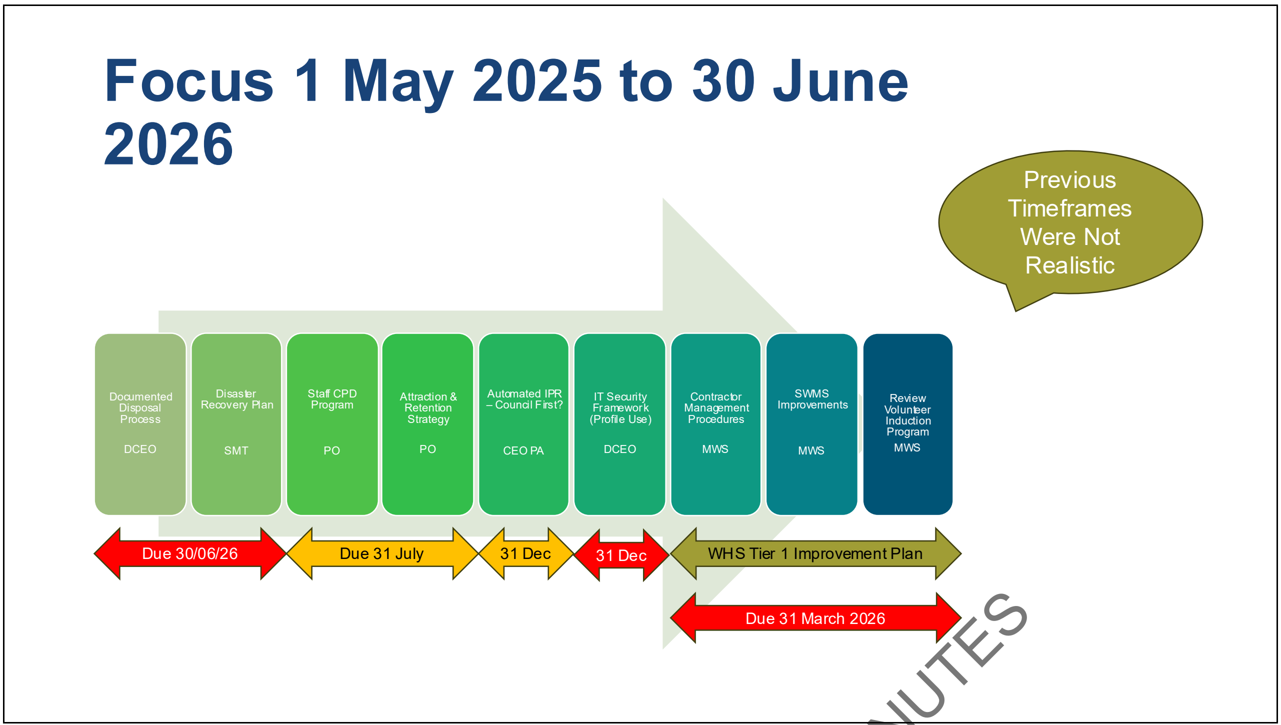
That the Audit Committee **ACCEPTS** the report on the update to the Shire's Risk Profiles and Dashboard:

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

Voted For: Cr P Bantock, Cr S Woods and Cr D Lovelock

Voted Against: Nil




Focus 1 May 2025 to 30 June 2026
Previous Timeframes Were Not Realistic
Documented Disposal Process
DCEO
Disaster Recovery Plan
SMT
Staff CPD Program
PO
Attraction & Retention Strategy
PO
Automated IPR – Council First?
CEO PA
IT Security Framework (Profile Use)
DCEO
Contractor Management Procedures
MWS
SWMS Improvements
MWS
Review Volunteer Induction Program
MWS
Due 30/06/26
Due 31 July
31 Dec
31 Dec
WHS Tier 1 Improvement Plan
Due 31 March 2026

7.5.2 RISK REGISTER - JUNE QUARTER 2025

File Reference	
Report Date	22 July 2025
Applicant/Proponent	Sean Fletcher, Chief Executive Officer
Officer Disclosure of Interest	Nil
Previous Meeting Reference	Nil
Prepared by	Sean Fletcher – Chief Executive Officer
Senior Officer	Sean Fletcher – Chief Executive Officer
Authorised by	Sean Fletcher – Chief Executive Officer
Attachments	1. Shire of Victoria Plains Risk Register June 2025

PURPOSE

For the Audit Committee to accept the June Quarterly Update for the Shire's Risk Register.

BACKGROUND

The Shire maintains a risk register regarding the key risks (exposure) to the organisation. The Audit Committee last received a report on the risk register at its meeting on 28 November 2024. However, the Senior Management Team did review the data for the March Quarter at its April meeting.

COMMENT

The Shire's Corporate Risk treatment has improved as follows:

- Extreme risks reduced from 7% to 3% due to Complaints Committee (C2) now having a Council appointed Chair and The Office of the Inspector to be implemented 25/26;
- High Risks reduced from 14% to 10% due to completion of the Calingiri NN Intersection (F2)
- Moderate Risks have increased from 34% - 40% due to:
  - F8 – New Risk re the Energy Transition. Advocacy has kept this at Moderate Impact;
  - C2 – Complaints Committee transitioning from Extreme as management actions have improved.
- Low risks increased from 45% to 47% due to the completion of the Calingiri NN Intersection (F2).
- Risks increased from 29 to 30. However, since the September Quarter, 8 risks will be removed in future as those matters are now completed, and are no longer relevant.

Many of the other risks continue to improve which means the Shire's corporate risk treatment is also improving at the same time.

Matters for Further Consideration (Ongoing Review)

The Disaster Recovery Plan (S4) is yet to commence. New risks regarding the use of AI and Deficit Funding need to be included.

We also may need to consider the engagement of a Manager Community and Regulatory Services to assist manage the development of the Shire in future years. This would form part of the Workforce Plan Review in 2026.

The ESA Inauguration has not been included in the Risk Register. The introduction of AI us another matter that will need a risk profile.

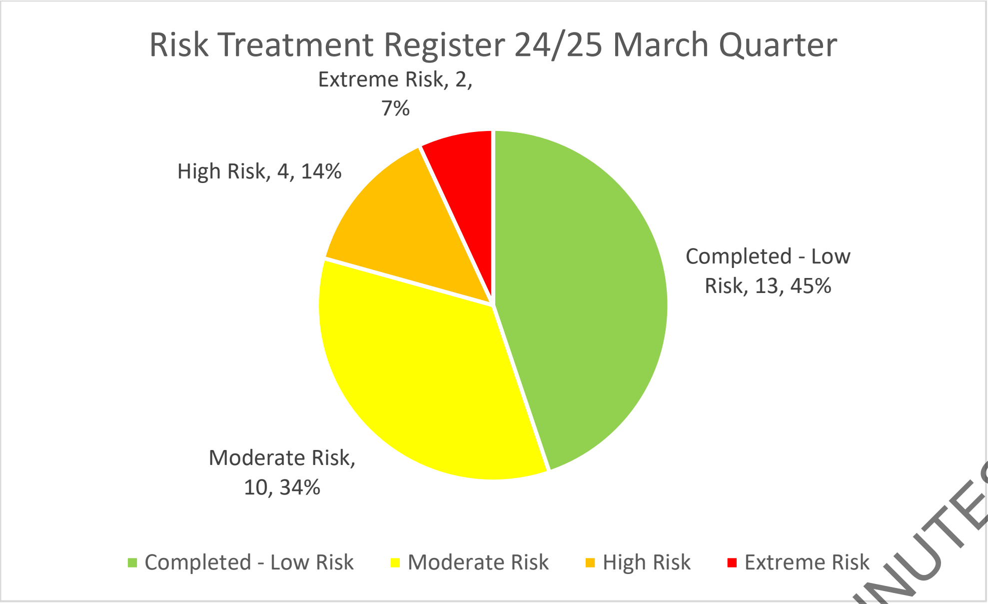


Chart 1 – Risk Register - March Quarter

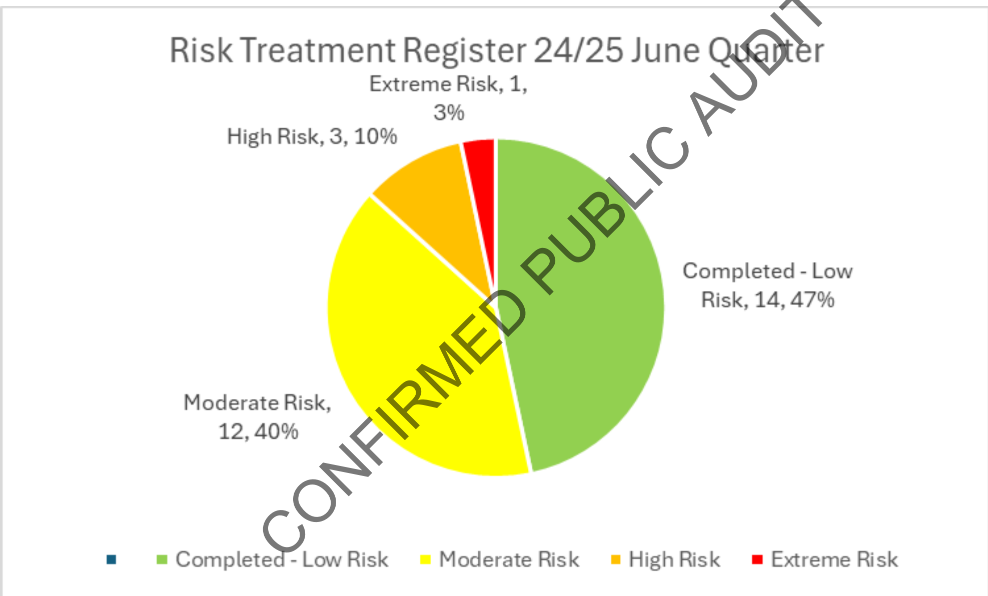


Chart 2 – Risk Register – June Quarter

CONSULTATION

The Senior Management Team 29 July 2025.

STATUTORY CONTEXT

Local Government (Audit) Regulations 1996

Reg 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

CORPORATE CONTEXT

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
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	Councilors attend training and feel supported in their role
	Council is supported by a skilled team

The Risk Register is subject to the compliance process and auditing.

Delegation

Nil

Policy Implications

Nil

Other Corporate Document

Nil

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
	Non-compliance results in termination of service or imposed penalties. Single major litigation	The event should occur at some time(20% chance) At least once in 3 years		Risk acceptable with effective controls, managed by senior management / executive and subject to monthly monitoring	

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

Officer Recommendation / Committee Recommendation [ACM 2507-26]

Moved: Cr S Woods **Seconded: Cr D Lovelock**

That the Audit Committee **ACCEPTS** the Risk Register report for the June Quarter 2025.

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

Voted For: Cr P Bantock, Cr S Woods and Cr D Lovelock,

Voted Against: Nil

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

7.6.1 OAG REPORT - MANAGING THE USE OF PURCHASING CARDS

File Reference	
Report Date	18 July 2025
Applicant/Proponent	OAG
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	1. Auditor General report on purchasing cards

PURPOSE

To inform the Audit Committee of the tabled Auditor General report on purchasing cards in local government and any action that has or will be taken to address its recommendations.

BACKGROUND

At the end of April 2025 an LG alert was provided to the CEO from DLGSC informing that in June 2024, the Auditor General tabled a report in Parliament on Local Government Management of Purchasing Cards based on audit of three local governments of varying sizes.

The report provided recommendations to help mitigate risks associated with purchasing cards and a better practice guide for the sector advising that local government CEOs should:

- review the report recommendations and better practice guidance.
- assess whether policy and procedures for the management and reporting of purchasing cards are required.
- inform their Audit Committee of the tabled Auditor General report and any action that has or will be taken to address its recommendations.

COMMENT

The report advises an effective control environment for purchasing cards should include:

- controls to prevent misuse and errors. These controls establish requirements up-front, and before a purchase is made.

- Examples include clear policies and procedures, delegations to purchase, preset card limits and appropriate card authorisation and destruction processes.

- controls to detect errors and misuse after a purchase is made. These include processes to review and approve purchases, and the monitoring, reporting and oversight of card use.

The report concluded that the three audited entities had varying controls in place to manage the issue, use and cancellation of their purchasing cards, but weak implementation and control gaps meant their controls were only partly effective.

This could lead to the increased the likelihood of cards being inadvertently or deliberately misused, which can cause loss of public money and specifically:

- There was inadequate policy guidance on what each entity considered was allowable and reasonable expenditure on such things as travel, accommodation, food and drink.

  In addition, purchases were not always adequately reviewed and approved in a timely manner.

- The operational need for a purchasing card was not always established, cardholder obligations and responsibilities were not made clear, and cards were not promptly returned and destroyed when no longer needed.

- A lack of oversight and monitoring of control effectiveness meant entities were missing opportunities to identify and promptly address the risks of card misuse and financial loss.

Although the audit found poor management of some important controls relating to purchasing cards, transaction sample testing did not find clear evidence that cardholders misused public money, in part because the audited entities had no policy guidance on what is allowable and reasonable card use and expenditure.

The full report can be found at attachment 1.

In the Shire of Victoria Plains case in context of the findings and indicative best practice, management is of the view that:

Issue:

- There is an operational need.
- transactions are covered by the shires purchasing policy and;
- obligations are communicated through the CEO’s issuance of delegations instructions.

Use:

- Cards have transactional limits and in line with organisational hierarchy.
- Cardholders are required to acquit their transactions monthly and receive second sign off by their supervisor, in the CEO’s case, the Shire President.
- Where staff are approved to use managements purchasing card, additional approval forms are required to be completed for authorisation (on-line, internet etc).
- Repayment of personal purchases in error are ascertained through the two step review process.

Cancellation:

- Is managed through the off boarding checklist process.

Oversight:

- Transactions are included in the monthly accounts for payment list
- Reviews undertaken monthly through review of accounts for payment before presentation to council.
- Purchasing policy reviewed periodically.
- Other aspects not necessarily applicable to small shires (e.g. management is aware of the number of cards issued and whether they are active)

Where improvement could be made is in;

- Policy guidance on what is considered was allowable and reasonable expenditure on such things as travel, accommodation, food and drink.
- Ensure cardholder receives training on procedures and requirements as part of on boarding which may include a sign off acknowledgement this training has been received.

CONSULTATION

Mr Sean Fletcher, Chief Executive Officer.

STATUTORY CONTEXT

Local Governments (Financial Management) Regulations 1996, regulation 11(1)a.

Local Government Act 1995 section 6.5(a).

Local Government Act 1995 sections 2.7(2)(a) and (b).

Local Government (Financial Management) Regulations 1996, regulation 13A.

CORPORATE CONTEXT

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
	Councillors attend training and feel supported in their role

	Council is supported by a skilled team

Strategic Priority 4.3 of sound financial management policies is essential to ensure compliance, reduce risk and highlight areas for improvement.

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 Recommendation / Committee Recommendation [ACM 2507-27]

Moved: Cr D Lovelock Seconded: Cr S Woods

That the Audit Committee receives the Auditor General report on purchasing cards in local government and recommends to council the inclusion of:

1. Policy guidance on what is considered was allowable and reasonable expenditure on such things as travel, accommodation, food and drink into the purchasing policy.
2. CEO ensures cardholders receives training on procedures and requirements as part of on boarding which may include a sign off acknowledgement this training has been received.

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

Voted For: Cr P Bantock, Cr S Woods, Cr D Lovelock

Voted Against: Nil

7.7 Matters of Compliance

7.7.1 OAG REPORT - FINANCIAL AUDIT RESULTS FOR LOCAL GOVERNMENT 2023-24

File Reference	
Report Date	18 July 2025
Applicant/Proponent	OAG
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	1. Auditor General report on Financial Audit Results for Local Government 2023-24

PURPOSE

To inform the Audit Committee of the published Auditor General report on Financial Audit Results for Local Government 2023-24.

BACKGROUND

At the end of April 2025 the Auditor General published the report on Financial Audit Results for Local Government 2023-24. This was summarised and presented to council at the May 25 briefing session, the formalities now provided to the Audit Committee.

COMMENT

The report contained a number of recommendations of which the Shire of Victoria Plains was compliant in:

- Streamline in the audit process – submitted good quality, CEO signed financial reports by the 30 September.
- Reporting and Accounting for Fixed Assets.
- Quality and Revision of Financial Reports – one final version is submitted to the auditors from which they provide their review for adjustments and then it is completed.

One area that will not be resolved and therefore continue to be on management reports is that of unallocated monies, hence reduced management letter findings cannot be achieved.

The Shire of Victoria Plains achieved all requirements, listed as entity 114 on page 31 – Appendix 1: Status and Timeliness of audits.

The full report is provided at attachment 1.

CONSULTATION

Mr Sean Fletcher, Chief Executive Officer.

STATUTORY CONTEXT

Local Government Act 1995.

Local Government (Audit) Regulations 1996.

CORPORATE CONTEXT

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
	Councillors attend training and feel supported in their role
	Council is supported by a skilled team

Strategic Priority 4.3 of external audits confirms the shire is full compliant with audit requirements..

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 Recommendation / Committee Recommendation [ACM 2507-28]

Moved: Cr S Woods **Seconded: Cr D Lovelock**

That the Audit Committee **RECEIVES** the Auditor General report of Financial Audit Results for Local Government 2023-24.

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

Voted For: Cr P Bantock, Cr S Woods, Cr D Lovelock

Voted Against: Nil

7.7.2 MATTERS OF COMPLIANCE

File Reference	
Report Date	22 July 2025
Applicant/Proponent	SoVP
Officer Disclosure of Interest	Nil
Previous Meeting Reference	Nil
Prepared by	Candice Watson – PA to the CEO
Senior Officer	Sean Fletcher – Chief Executive Officer
Authorised by	
Attachments	Nil

PURPOSE

That the Audit Committee accepts the update regarding the Shire's Compliance Calendar.

BACKGROUND

The Compliance Calendar is reset during December each year and updated to reflect the matters of compliance for the year.

Since January 2025, the Shire has renewed its paid subscription to Attain and has been using the software effectively

COMMENT

The update regarding the compliance actions is as follows:

Between March 2025 and July 2025 there were 37 compliance actions undertaken.

This does not include the detailed actions for the budget or annual financial statements:

There are currently 2 actions overdue.

1. Annual performance reviews, there has been trouble locating a previously completed review, this review may need to be re done if this cannot be located. Then this can be marked as complete.
2. Local public health plans, A local government must prepare a public health plan every year. We were waiting on the health departments state plan (Improving Health and Wellbeing) the production of the local health indices, we have received both and will develop a plan in the coming month.

Some of the completed actions include:

1. Delegations register - Review
2. Local Heritage Survey
3. Public Access to information - Audit
4. Completion of the CAR 2024
5. DAIP - Review

One of the key upcoming tasks in the compliance calendar is the election process. Attain will help streamline the timeline and ensure all related tasks remain on track.

Attain has significantly enhanced the management of the compliance calendar. Automated reminders are sent each Monday morning for upcoming tasks, and the user-friendly interface has greatly improved the efficiency of task completion compared to previous compliance calendar systems

The overall completion rate was 94.6%

CONSULTATION

CEO

STATUTORY CONTEXT

Audit Regulations – Regulation 17

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 sub regulation (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.

The Compliance Calendar reflects r.17(1)(c) – legislative compliance.

CORPORATE CONTEXT

Strategic Community Plan and 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

The Audit Committee has a key role to play in assisting Council and the CEO regarding the effectiveness of the Shire's controls regarding compliance through the compliance calendar.

Delegation

Nil

Policy Implications

Other Corporate Document

Nil

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance	Mitigation and Outcome
Compliance **Managing compliance is a key pillar regarding the function of the Shire**	Major (4) Non-compliance results in termination of services or imposed penalties to Shire/Officers	Likely (4) At least once per year	High (16)	Currently, the risk is acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring as follows: **Staff review monthly, Audit Committee advised quarterly. Is also a CEO KPI**	CEO (officers) & Council and Audit Committee advised monthly, quarterly, annually will ensure risk is reduced from high to low

FINANCIAL IMPLICATIONS

Budgeted yearly subscription to Attain.

VOTING REQUIREMENTS

Simple Majority

Officer Recommendation / Committee Recommendation [ACM 2507-29]

MOVED: Cr D Lovelock Seconded: Cr S Woods

That the Audit Committee **ACCEPTS** the update regarding the Shire's compliance calendar.

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

Voted For: Cr P Bantock, Cr S Woods, Cr D Lovelock

Voted Against: Nil

7.8 Integrated Planning and Reporting

7.8.1 ANNUAL REVIEW OF THE CORPORATE BUSINESS PLAN 2024 - 2025

File Reference	
Report Date	10 July 2025
Applicant/Proponent	Mr Sean Fletcher, CEO
Officer Disclosure of Interest	Nil
Previous Meeting Reference	Nil
Prepared by	Sean Fletcher – Chief Executive Officer
Senior Officer	Sean Fletcher – Chief Executive Officer
Authorised by	Sean Fletcher – Chief Executive Officer
Attachments	1. CBP Key Work Plan 2024 2025 2. Presentation Annual Review of CBP

PURPOSE

To update the Audit Committee on the outcomes of the annual review of the corporate business plan for 2024/25 and the proposed strategic actions for 2025/26.

BACKGROUND

The Key Work Action Plan (Attachment 1) that underpins the CBP, tracked 32 actions for 2024/2025. Each key action has an activity applied to it for the quarter, except if it is a completed action. Some activities were ongoing or spanned two or more quarters.

Council along with senior staff, conducted the annual review of the Corporate Business Plan (Implementation Plan) on 21 July 2025.

At the Annual Review, the actions undertaken for 24/25 were examined and the proposed actions for 25/26 confirmed. It should be noted that 25/26 represents the last year of the current CBP. A new CBP will be developed when the Major Review of the development of the new Council Plan is undertaken in the first half of 2026.

The outcomes of the Review are presented to the Audit Committee for today's meeting.

COMMENT

In terms of tasks undertaken, the majority were progressed to the required level. This is reflected in diagrams 1, 2 and 3, including the Dashboard for 2024/2025:

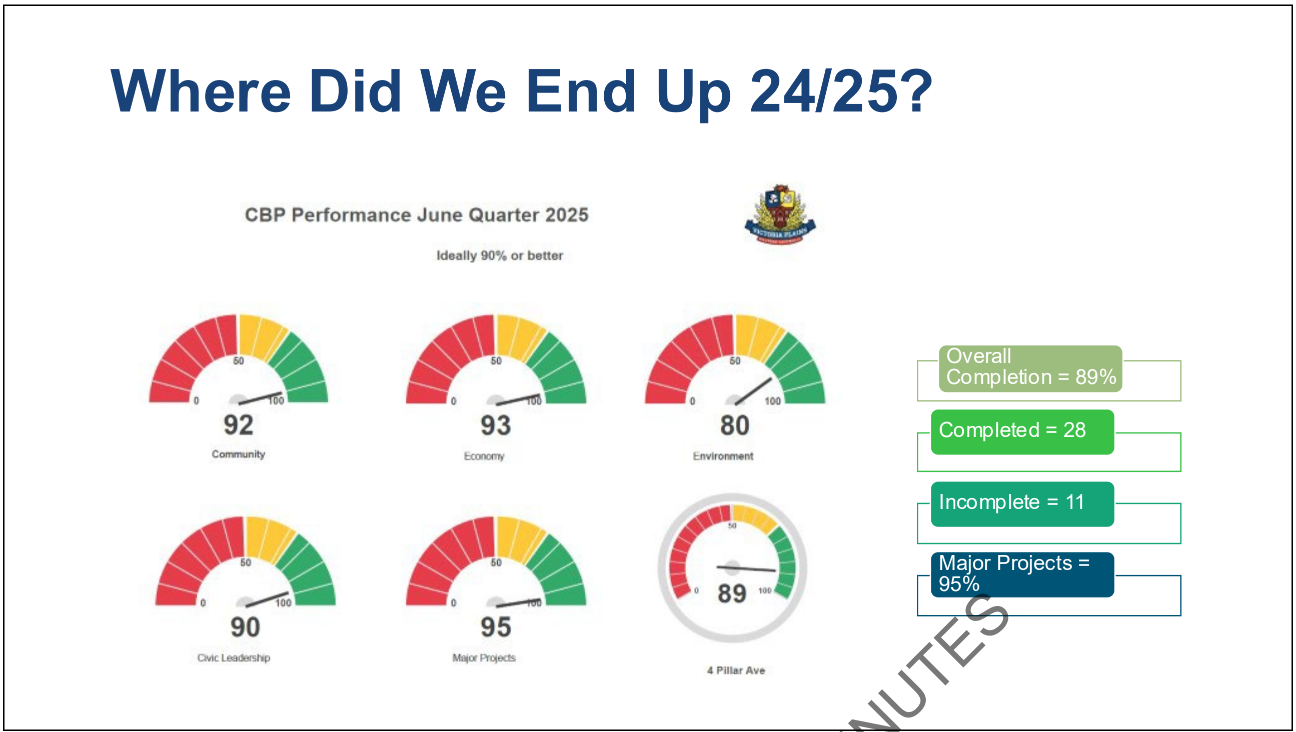

Diagram 1 – Key Work Plan Dashboard 2024/25

The Dashboard in Diagram 1 confirms that the Shire has continued to deliver its strategic priorities at a high level.

Diagram 2 – Overview of Key Achievements for 2024/25

My staff overall have, once more, put in an amazing effort to deliver the level of outcomes achieved for 24/25. As in previous years, I cannot thank them enough for their professional endeavour, their commitment to the organisation and the communities across the Shire.

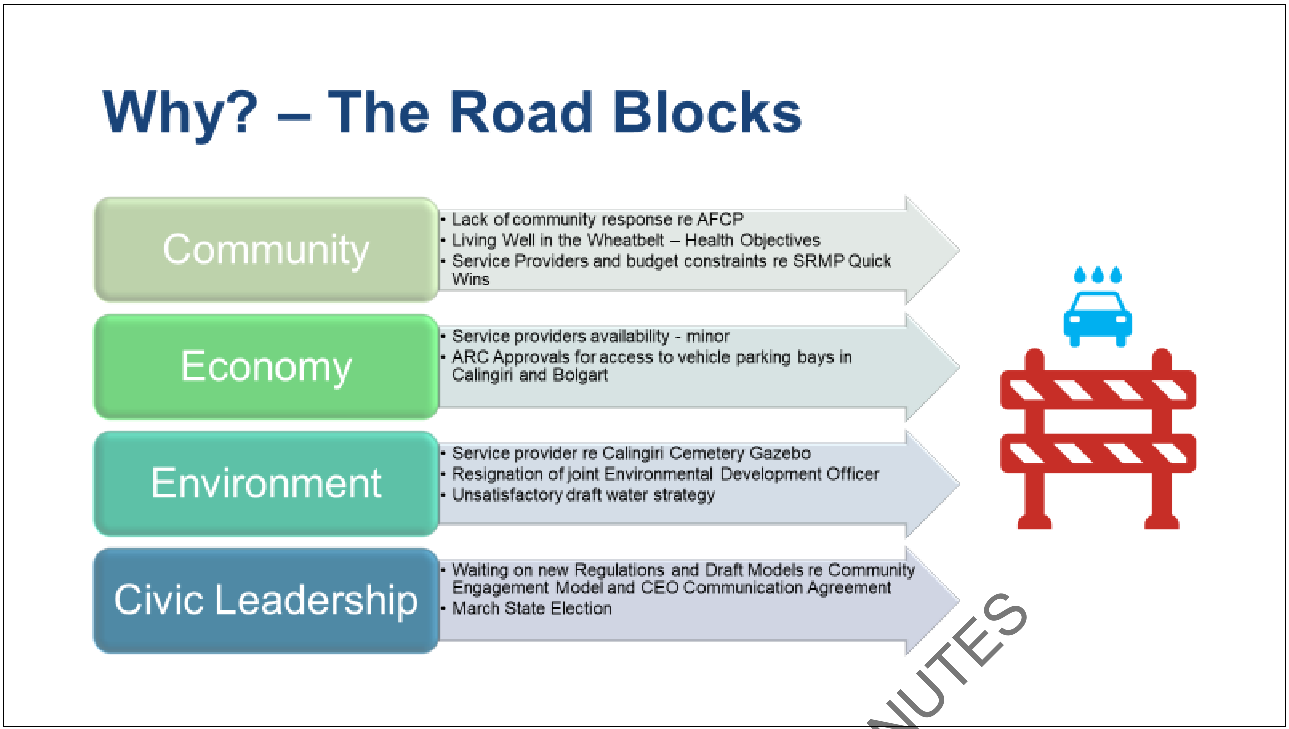

Diagram 3 – Overview of the Roadblocks that impacted on closing out some of the actions.

Regarding the actions that were not completed, the majority were in the home straight i.e. they sat at 75% or better. The reasons for delays regarding the delivery of these outcomes are summarised in Diagram 3. As discussed the Intersection Project overrun was $271,258 (Arc Infrastructure re the rail crossing and subsequent re-surveying and sculpting of the road approaches to it).

Shire's Direction 2025/26

During the last nine months, the Shire has been impacted by four key developments that will continue to impact for many years to come. Each one of these key impacts will see the Shire's economy diversify over the next 30 years or more.

Diagram 4 – The Four Key Impacts 2025/26 Onwards

The Shire is heavily invested in the four key impacts or projects in Diagram 4. The Shire is the group leader regarding the Wheatbelt Regional Housing Initiative, which has seen a group of ten local governments receive $32.8M in funding from the Commonwealth Government under the Housing Support Program. Victoria Plains allocation under this grant is $4.5M.

The Shire has been working with Green Wind Renewables regarding the proposed Grevillea and Wandoo windfarms. It is important to note that these projects are subject to State policy and if, requested by Greenwind, the State Significant Pathway process.

The Shire is also a key player regarding advocating for fair and equitable treatment for its communities under the Energy Transition regarding large scale renewable projects. This has involved not only participating in the development of a local government guide to advocate for community benefits from large scale renewable projects but also lobbying for the development of mandated State planning policy to do the same.

The Shire supports the expansion of the European Space Agency site at New Norcia. To this extent, the Shire has advocated for funding to develop Stage One of tourism facilities at the ESA ground station i.e. $350,000 to develop parking facilities and a viewing pod. The Shire will also assist with Stage 2 funding to help develop an effective entry into the ground station. Stage 3 of the visitor experience will involve the development of an education and visitor centre.

The Shire is also working though issues that the proposed Carvel Copper Mine will have regarding the wider district. This includes the advent of the water source from the Gillingarra Bore Field and responding to the State government's assessment of this project. Mining matters and activities are managed by the State, not the Shire.

Diagram 5 – Overview of Key Actions 2025/26

Apart from these four key impacts, the Shire will continue to deliver on the key actions summarised in Diagram 5. There are three new key actions (denoted by red squares):

- Disaster Ready Fund Round 3. The Shire is applying for funding to help it prepare for future fires including plant and equipment and funding to implement better access to water for fire fighting purposes, including at Mogumber;
- Regional Road Safety Program. The Shire at the request of Main Roads WA submitted a request for funding under the Regional Road Safety Program. This funding will see the Toodyay Bindi Bindi Road improved from the Bolgart Shire boundary through to the

Goomalling Road turn off at Calingiri and also improvements to the Piawaning Waddington Road;

- Regional Waste Facility. The Shire has commenced advocating for a regional waste facility to assist it and other local governments in the region plan for waste management in future years. All local governments throughout the region have landfills that are nearing the end of their useful life and must transition to waste transfer stations.

The Shire has met with, and asked, the Coordinator General of the National Emergency Management Agency to discuss with the State the reopening of AGRN962 flood damage funding. If this request is successful, the funding of $4.6M will be in addition to the 25/26 Capital Program of $15.4M.

The boxes denoted by purple are key road projects that are funded under current arrangements and will be part of the major projects (MP) for 25/26. The green box confirms successful funding that the Shire has been approved for ahead of 25/26 i.e. the Mitigation Activity Fund.

The Shire will continue to roll out key community support plans regarding disability access, aged friendly strategies and the new local health plan. It will also start rolling out the key activities under the Strategic Recreation Management Plan (SRMP) once it has developed the required project weighting criteria and apply for Walk Trail Funding. Improvements to the Shire of Victoria Plains War Memorial will also be undertaken.

From an economic perspective, the Shire will continue to seek regional precinct funding, progress water projects and roll out the Tourism Action Plan.

Unfortunately, the planned Regional Road Group funded works to progress improvements to the Toodyay Bindi Bindi Rd (Calingiri to Yerecoin) will be deferred to 26/27. This will save the Shire $275,000 in 25/26. However, the $3.2M 100% funded Regional Road Safety Program is a welcome substitute regarding the Toodyay Bindi Bindi Rd (Toodyay Boundary to the Calingiri/Goomalling Rd turnoff) and the Wongan Hills Waddington Rd. The proposed HRVA vehicle parking bay upgrade for Calingiri has been deferred.

The Yerecoin vehicle parking by will be completed and a gravel bay installed on the Mogumber Yarawindah Rd. The Plant and Equipment Replacement Program is continuing although the planned changeover of the Roller and one of the Graders will be deferred.

Under the Environment Pillar, the Shire will continue improvements at the cemeteries and progress corella management initiatives. The Animal Pound has been deferred 12 months (26/27). Under Civic Leadership, the Shire will commence its AI journey and better prepare against cyber attacks.

CONSULTATION

Key Officers Working Group 10 July 2025

STATUTORY CONTEXT

Local Government (Administration) Regulations 1996

19DA. Corporate business plans, requirements for (Act s. 5.56)

(4) A local government is to review the current corporate business plan for its district every year.

Integrated Planning and Reporting – Framework and Guidelines

Apart from the Annual Report providing progress towards the achievement of the four-yearly Shire priorities as established through the Corporate Business Plan (Intermediate Standard), the Departmental IPR Guidelines require that as a minimum, a quarterly review is conducted on the status of the CBP for each year.

CORPORATE CONTEXT

Strategic Community Plan/Corporate Business Plan

STRATEGIC PRIORITIES	WE KNOW WE ARE SUCCEEDING WHEN
4. CIVIC LEADERSHIP	
4.1 Forward planning and implementation of plans to achieve community priorities	Performance against targets are regularly reported to the community
	We attend meetings of key local and regional organisations to jointly plan for our community
	Demonstrated progress towards achievement of the Corporate Business Plan

Delegation

Nil

Policy Implications

Other Corporate Document

Nil

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance	Mitigation and Outcome
Reputation and Compliance Not adhering to the Corporate Business Plan and hence the Strategic Community Plan	Major (4) Substantiated, public embarrassment, widespread high impact on community trust, high media profile, third party actions	Unlikely (2) The event could occur at some time - -10 years	Moderate (8)	Operational Manager Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring Adequate: The Shire continues to ensure that the CBP Quarterly Review is available publicly through a report to Council each quarter.	CEO to ensure all staff undertake and follow CBP. Elected Members have undertaken further training in IPR requirements. The above will, ensure that the appropriate manager can assess the risk and correct it accordingly through quarterly reporting. This will ensure that the risk is low

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

Officer Recommendation / Committee Recommendation [ACM 2507-30]

Moved: Cr S Woods Seconded: Cr D Lovelock

That the Audit Committee advises the Council that it **SUPPORTS** the outcomes of the annual review of the Shire's Corporate Business Plan:

1. Noting that, in accordance with Regulation 19DA (4) of the *Local Government (Administration) Regulations 1996*, the Shire has **COMPLETED** the annual review of the Shire's Corporate Business Plan for 2024/2025 (Attachment 1).
2. **SUPPORTS** the CEO's Key Work Plan which lists the strategic actions to be achieved under the Corporate Business Plan for 2025/2026 as follows regarding Diagram 4 and Diagram 5A and 5B:

CARRIED BY UNANIMOUS DECISION OF COMMITTEE

Voted For: Cr P Bantock, Cr S Woods and Cr D Lovelock

Voted Against: Nil

Diagram 4 – Attachment 2

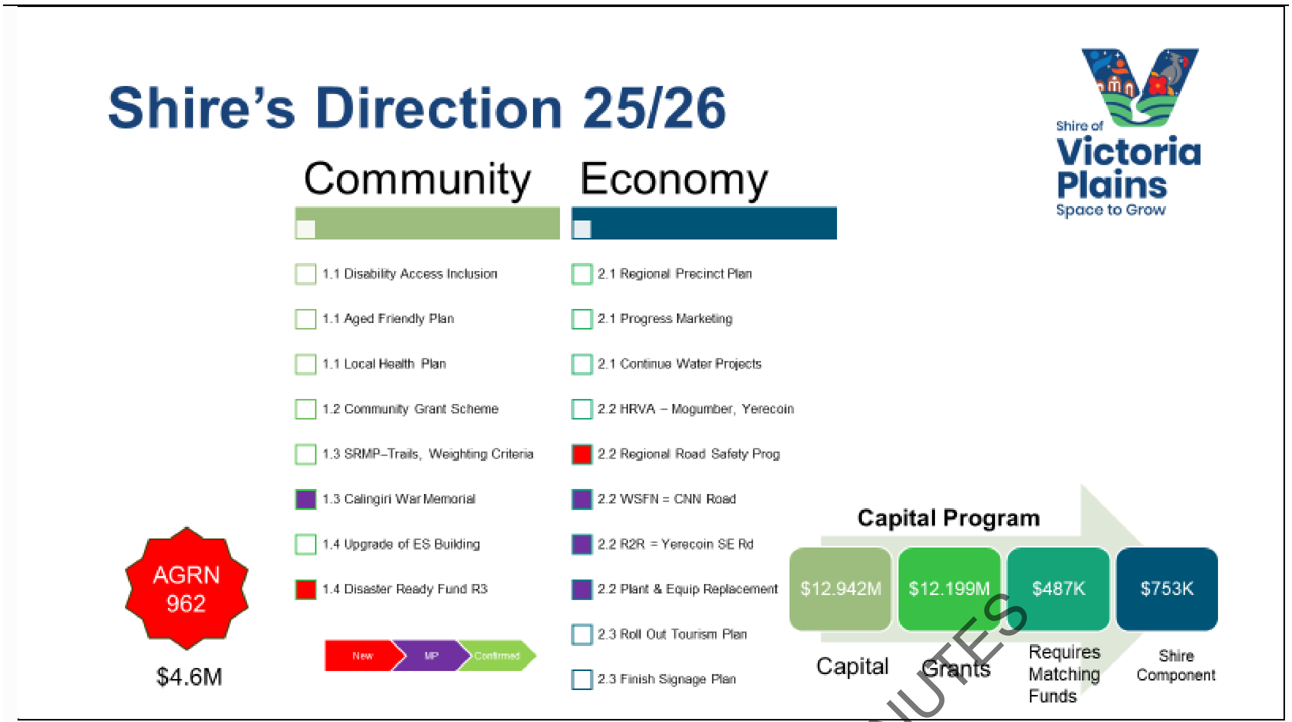

Diagram 5A – Attachment 2

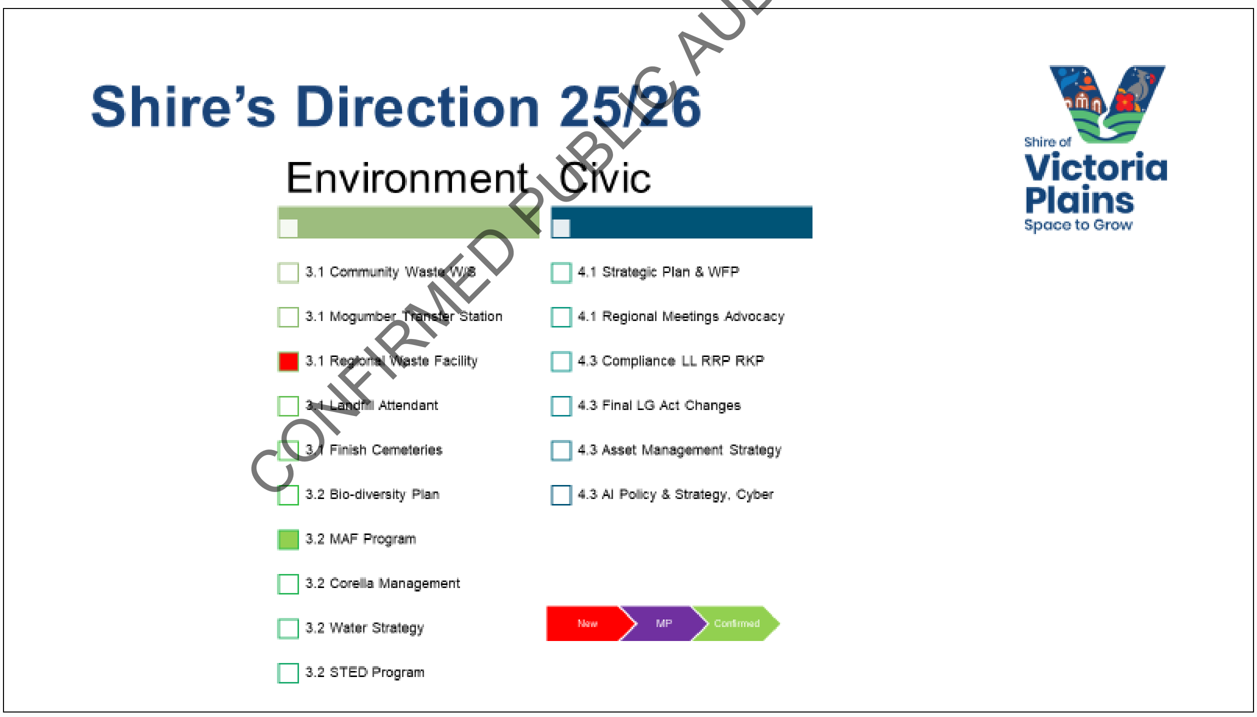

Diagram 5B – Attachment 2

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

Nil

7.10 Status Report

Nil

8 CLOSURE OF MEETING

There being no further business, the Presiding Member declared the meeting closed at 12.26pm

These minutes were confirmed at the Audit Committee Meeting held on

Signed ______________________ Date 26 November 2025
(Presiding member at the meeting which confirmed the minutes)

Council Minutes are unconfirmed until they have been adopted at the following meeting of Council.