



SHIRE OF CARNARVON
AGENDA
AUDIT AND RISK MANAGEMENT
COMMITTEE MEETING
TUESDAY 25 FEBRUARY 2025

Shire Council Chambers,
Stuart Street Carnarvon,
West Australia
Phone: (08) 9941 000
Fax: (08) 9941 1099
Website – www.carnarvon.wa.gov.au

The Shire of Carnarvon acknowledges and respects the Yinggarda (Carnarvon) and Baiyungu (Coral Bay) as the traditional custodians of the lands where we live and work. We pay our respects to Elders, past, present and emerging. The Shire of Carnarvon is committed to honouring the traditional custodians' unique cultural and spiritual relationships to the land, waters and seas and their rich contribution to society.

NOTICE OF MEETING

Notice is hereby given

Shire of Carnarvon
Audit and Risk Management Committee Meeting
will be held
on Tuesday 25 February 2025
at the Shire Council Chambers, Stuart Street
Carnarvon,
commencing at 10.30am.

Amanda Dexter
CHIEF EXECUTIVE OFFICER

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Carnarvon for any act, omission or statement or intimation occurring during Council/Committee Meetings or during formal/informal conversations with Staff or Councillors. The Shire of Carnarvon disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council/Committee Meetings or discussions. Any person or legal entity who acts or fails to act in reliance upon any statement does so at that person's or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or limitation of approval made by a member or officer of the Shire of Carnarvon during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Carnarvon. The Shire of Carnarvon warns that anyone who has an application lodged with the Shire of Carnarvon must obtain and only should rely on WRITTEN CONFIRMATION of the outcome of the application, and any conditions attaching to the decision made by the Shire of Carnarvon in respect of the application.

INFORMATION ON PUBLIC QUESTION TIME

The following information is provided should you wish to ask a question of Council at the Ordinary Meetings held on a monthly basis.

Please note that questions that have not been filled out on the Submission Form will not be accepted.

- The Local Government Act 1995 allows members of the public to ask questions in regard to any issue relating to the Shire.
- A maximum of 15 minutes will be allowed for public question time and the Presiding Member will allow a maximum of three (3) verbal/written questions per person.
- Prior to asking a question, the speaker must state his/her name and address.
- Members of the public are discouraged from asking questions which contain defamatory remarks, offensive language or questioning the competency of staff or Council members.
- The Presiding Member may nominate a member or officer to answer the question and may also determine that any complex questions requiring research be taken on notice and answered in writing.
- No debate or discussion is allowed to take place on any question or answer.
- A summary of each question asked and the response given will be included in the minutes of the meeting –

Local Government (Administration) Regulations 1996 – Pt 2, r.11 – (in part reads -)
11. Minutes, content of (Act s.5.25(1)(f))

*The content of minutes of a meeting of a council or a committee is to include –
(e) a summary of each question raised by members of the public at the meeting and a summary of the response to the question.*

Responses to questions that are taken on notice will be responded to as soon as possible.

- If you wish to ask a question, please complete the Public Question Time Submission Form at the back of this information sheet. Alternatively, questions can be submitted in writing to the Shire of Carnarvon 3 days prior to the meeting.

SPECIAL MEETINGS OF COUNCIL

Members of the public are welcome to attend a Special Meeting of Council if open, and ask questions of the Council within the allotted public question time *subject to the questions being asked only relating to the purpose of the Special Meeting (s5.23 of the Act and regulation 12 (4) of the Local Government (Administration) Regulations 1996, the Department of Local Government and Communities Guide to Meetings and Governance Bulletin April 2014 and Guideline No. 3 Managing Public Question Time.)*

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1 ATTENDANCE AND APOLOGIES

(The Local Government Act 1995 Section 2.25 provides that a Council may, by resolution, grant leave of absence to a member for Ordinary Council Meetings. The leave cannot be granted retrospectively and an apology for non-attendance at a meeting is not an application for leave of absence.)

2 PUBLIC QUESTION TIME

(In accordance with Section 5.24 of the Local Government Act 1995, a 15 minute public question time is made available to allow members of the public the opportunity of questioning Council on matters concerning them. All questions are to be provided on the Public Question Time Submission Form.)

3 DECLARATIONS OF INTEREST

(Elected Members and Officers are reminded of the requirements of Section 5.65 of the Local Government Act 1995, to disclose any interest during the meeting or when the matter is to be discussed.)

4 CONFIRMATION OF MINUTES

4.1 Minutes of the Audit and Risk Management Committee Meeting - 11 December 2024

5 REPORTS

5.1 COMPLIANCE AUDIT REPORT 2024

File No:	ADM0011
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	N/A
Author(s):	Caroline Ballard, Governance & Information Coordinator
Authoriser:	Amanda Dexter, Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirement:	Simple Majority
Previous Report:	7.1.3 Compliance Audit Return 2023
Schedules:	1. Compliance Audit Return 2024

Authority/Discretion:

- Advocacy** When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
- Executive** The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets
- Legislative** Includes adopting local laws, town planning schemes and policies.
- Information** Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting).
- Quasi-judicial** When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses

Summary of Report

The purpose of report is to present to the Audit and Risk Management Committee (ARMC) the 2023 Compliance Audit Return (CAR) for review and to request that the ARMC recommend that Council adopt the 2024 CAR as presented in **Schedule 1** for submission to the Department of Local Government, Sport and Cultural Industries (DLGSC) by 31 March 2025. The 2024 CAR comprises of 94 questions over 11 categories, these questions require a response of YES, NO or N/A.

Yes – indicates compliance

No – indicates non-compliance

N/A – indicates that this function was not required to be performed this year or is not a requirement for this Local Government.

Background

Local Governments are required to complete a Compliance Audit for the previous calendar year by the 31 March. The Compliance Audit is an in-house audit that is undertaken by the appropriate Responsible Officer using questions provided by DLGSC. In accordance with Regulation 14 of the *Local Government (Audit) Regulations 1996* the ARC is to review the CAR and is to report to Council the results of that review.

The CAR is to be:

1. Presented to an Ordinary Meeting of Council

- 2. Adopted by Council; and
- 3. Recorded in the minutes of the meeting at which it is adopted.

Following the adoption of the CAR by Council a certified copy of the return, along with the relevant section of the minutes and any additional information detailing the contents of the return are to be submitted to the DLGSC by 31 March 2025. The return requires the Shire President and the Chief Executive Officer to certify that the statutory obligations of the Shire of Carnarvon are compliant.

Stakeholder and Public Consultation

Nil

Statutory Environment

Local Government (Audit) Regulations 1996, Regulation 14

Relevant Plans and Policy

Nil

Financial Implications

Nil

Risk Assessment

		STEP 3 – Risk Tolerance Chart Used to Determine Risk				
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	N/A		
Health & Safety	N/A		
Reputation	There is a reputational risk should the CAR not be completed on time or if significant non-compliance is reported.	D-2 Low	Pending the ARMC decision, this item can be presented to Council in time to meet the deadline. The compliance % rate and comparison table demonstrate improvements have been made.
Service disruption	N/A		
Compliance	Non-compliance should the CAR not be completed on time.	D-2 Low	Pending the ARMC decision, this item can be presented to Council in time to meet the deadline.
Property	N/A		
Environment	N/A		
Fraud	The CAR responses are fraudulent.	D-3 Moderate	The responses are validated by the Governance & Information Coordinator.

Community and Strategic Objectives

The proposal aligns with the following desired objectives as expressed in the *Community Strategic Plan 2022-2032*:

OBJECTIVES

In 2040 Carnarvon is a place where:

- N/A

ADDITIONAL FOCUS AREAS:

- N/A

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

The process for completing the 2024 CAR involved Officers from each area being delegated the relevant questions to answer. Their responses were checked and validated by the Governance & Information Coordinator for accuracy and to ensure that a high quality, verified CAR was completed.

When comparing the 2024 CAR against the 2023 CAR, the Shire of Carnarvon compliance rating has decreased by 4%.

Compliance Audit Return Categories	2023 Audit Questions	Non-Compliance	Compliance Rating	2024 Audit Questions	Non-Compliance	Compliance Rating
Commercial Enterprises by Local Government	5		100%	5		100%
Delegation of Power/Duty	13		100%	13	1	92%
Disclosure of Interest	21		100%	21	1	95%
Disposal of Property	2		100%	2		100%
Elections	3		100%	3		100%
Finance	7		100%	7		100%
Integrated Planning and Reporting	3		100%	3		100%
Local Government Employees	6		100%	5		100%
Official Conduct	3		100%	4		100%
Optional Questions	9		100%	9		100%
Tenders for Providing Goods and Services	22	1	95%	22	3	86%
TOTAL	94.00	1.00	99%	94.00	5.00	95%

Delegation of Power/Duty

Q13. Did all persons exercising a delegated power or duty under the Act keep on all occasions, a written record in accordance with *Local Government (Administration) Regulations 1996, regulation 19*?

Written records were not kept by all persons exercising a delegated power or duty in accordance with *Local Government (Admin) Regulations 1996, Reg19*.

Disclosure of Interest**Q5. Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2024?**

Due date for Annual Return completion missed by one employee – submitted 03.09.2024.

Employees are required to complete an annual return between 1 July and 31 August each year, the staff member in question was active in the workplace and had not completed this task prior to taking leave at the end of August. The Annual Return was completed upon the employees return from leave.

Tenders**Q2. Subject to *Local Government (Functions and General) Regulations 1996*, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?**

July 2024 - A successful tenderer was found not to be a WALGA preferred supplier, therefore the tender was non-compliant, it was referred to Council who accepted the non-compliance and requested a Purchasing Policy review (undertaken September 2024).

Q13. Were all expressions of interest that were not rejected under the *Local Government (Functions and General) Regulations 1996*, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?

An EOI was handled by a Contractor (that had been awarded the Tender for the Carnarvon Activation Plan Project), the EOI process was not followed according to *F&G Reg 23(3) & (4)*.

Q14. Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with *Local Government (Functions and General) Regulations 1996*, Regulation 24?

EOI was handled by the Contractor that had been awarded the Tender for the Carnarvon Activation Plan Project. EOI process was not followed according to *F&G Reg 24*.

OFFICER'S RECOMMENDATION

That the Audit and Risk Management Committee Meeting, pursuant to Regulation 14 and 15 of the Local Government (Audit) Regulations 1996, resolves to:

- 1. Review the Shire of Carnarvon's Compliance Audit Return for the period 1 January 2024 to 31 December 2024 and report the results to Council via the minutes of the Audit and Risk Committee meeting.***
- 2. Recommends to Council that Council, at its Ordinary Meeting on 25 February 2025:***
 - a. adopts the Shire of Carnarvon's Compliance Audit Return for the period 1 January 2024 to 31 December 2024;***
 - b. authorises the Shire President and Chief Executive Officer to certify the Shire of Carnarvon Compliance Audit Return and submit the certified copy to the Department of Local Government, Sport and Cultural Industries by 31 March 2025.***



Carnarvon – Compliance Audit Return

Commercial Enterprises by Local Governments				
No	Reference	Question	Response	Comments
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2024?	N/A	The Shire did not conduct any major trading or land transactions in 2024
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2024?	N/A	The Shire did not conduct any major trading or land transactions in 2024
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2024?	N/A	The Shire did not conduct any major trading or land transactions in 2024
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2024?	N/A	The Shire did not conduct any major trading or land transactions in 2024
5	s3.59(5)	During 2024, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A	The Shire did not conduct any major trading or land transactions in 2024

Delegation of Power/Duty				
No	Reference	Question	Response	Comments
1	s5.16 (1)	Were all delegations to committees resolved by absolute majority?	Yes	Delegations resolved by Absolute Majority at Annual delegation review (OCM 28.05.2024)
2	s5.16 (2)	Were all delegations to committees in writing?	Yes	
3	s5.17	Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995?	Yes	
4	s5.18	Were all delegations to committees recorded in a register of delegations?	Yes	Delegations Register maintained in ATTAIN software
5	s5.18	Has council reviewed delegations to its committees in the 2023/2024 financial year?	Yes	Delegations reviewed OCM 28.05.2024



6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995?	Yes	All powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995
7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes	Delegations resolved by Absolute Majority at Annual delegation review (OCM 28.05.2024)
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes	Delegation Certificates issued in ATTAIN software
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes	Delegation Certificates issued in ATTAIN software
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority?	N/A	There were no revocations for the reporting period
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes	Delegations Register maintained in ATTAIN software
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2023/2024 financial year?	Yes	Delegations reviewed OCM 28.05.2024
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19?	No	Written records were not kept by all persons exercising a delegated power or duty in accordance with Local Government (Admin) Regulations 1996, Reg19

Disclosure of Interest				
No	Reference	Question	Response	Comments
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes	
2	s5.68(2) & s5.69(5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting?	N/A	There were no incidences requiring participation approval



3	s5.73	Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made?	Yes	All disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 were recorded in the minutes of the meeting at which the disclosures were made
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes	All Primary returns completed on time and registered in Attain software
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2024?	No	Due date for Annual Return completion missed by one staff member – submitted 03.09.2024
6	s5.77	On receipt of a primary or annual return, did the CEO, or the Mayor/President, give written acknowledgment of having received the return?	Yes	Receipt Acknowledgements for all returns are generated in the ATTAIN Delegations module and emailed to staff member
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995?	Yes	Financial Interests Registers is maintained in hard copy format and on the Shire website
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28?	Yes	Financial Interests Registers is maintained in hard copy format and on the Shire website
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person?	Yes	Financial interests register is maintained in hard copy format and on the Shire website – both are checked and updated regularly for any personnel changes
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes	Documents removed and maintained on Personnel files
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A?	Yes	Gift Register maintained on Form 4 as per the prescribed regs
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes	Gift Register Maintained on Shire website



13	s5.89A(6)	When people cease to be a person who is required to make a disclosure under section 5.87A or 5.87B of the Local Government Act 1995, did the CEO remove from the register all records relating to those people?	Yes	Documents removed and maintained on Personnel files
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A(6) of the Local Government Act 1995 been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes	Documents removed and maintained on Personnel files
15	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	N/A	There were no instances where the reporting officer was required to declare an interest in the reporting period.
16	s5.71A & s5.71B(5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	N/A	There were no instances requiring the Council to apply to the Minister
17	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under section 5.71B(6) of the Local Government Act 1995, recorded in the minutes of the council meeting at which the decision was considered?	N/A	Refer to item 16
18	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members candidates that incorporates the model code of conduct?	Yes	The code of conduct was reviewed by an absolute majority on 26 March 2024.
19	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4) of the Local Government Act 1995?	N/A	No additional requirements required
20	s5.104(7)	Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website?	Yes	The latest version of the Code of Conduct is published on the Shire's website
21	s5.51A(1) & (3)	Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government? If yes, has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?	Yes	Yes - The CEO has prepared and implemented a code of conduct to be observed by employees of the local government No - the latest version on the website is from 21.11.2022



Disposal of Property				
No	Reference	Question	Response	Comments
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)?	Yes	Disposal of Property is advertised in the Local Newspaper (unless section 3.58(5) applies)
2	s3.58(4)	Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	Yes	A template for advertising is used to ensure the information complies with 3.58(4)

Elections				
No	Reference	Question	Response	Comments
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997?	Yes	Confirmed Election Gift Register held
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997?	N/A	None were received
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997?	Yes	Confirmed Election Gift Register held on SoC website



Finance				
No	Reference	Question	Response	Comments
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Local Government Act 1995?	Yes	The new Audit and Risk Management Committee was appointed by the absolute majority at OCM on 28.11.23
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Local Government Act 1995, did it do so by absolute majority?	Yes	Refer to OCM 28.11.23, all Delegations reviewed and adopted by absolute majority OCM 28.05.2024
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2024 received by the local government by 31 December 2024?	Yes	The Shire of Carnarvon received the auditor's report by 31 December 2024 (11.12.2024)
4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	Yes	Matters raised and relevant actions have been noted on Findings Identified during the final audit report 1x moderate and 1x minor findings are still being reconciled, appropriate action is being taken to ensure they will be reconciled before the end of the current FY.
5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	N/A	No significant findings
6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website?	N/A	There are no significant findings to report on the website
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June 2024 received by the local government within 30 days of completion of the audit?	Yes	The auditor's report was received by the Shire of Carnarvon within 30 days of completion of the audit (11.12.2024).



Local Government Employees				
No	Reference	Question	Response	Comments
1	s5.36(4) & s5.37(3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?	Yes	The advertisement was compliant and advertised Statewide
2	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	Yes	Recruitment was performed by Page Executive, with all candidate's applications were vetted and verified
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995?	Yes	The successful candidate was provided with an employment contract compliant with the advertised remuneration and benefits
4	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	N/A	EMIS Recruitment – An Agenda item was prepared for the Council to endorse a preferred candidate; however, the preferred candidate withdrew from the position therefore the item did not proceed to Council.
5	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A	Council have not rejected any recommendation of employment for senior employee position.

Official Conduct				
No	Reference	Question	Response	Comments
1	s5.120	Has the local government designated an employee to be its complaints officer?	Yes	Under s5.120 of the Local Government Act 1995, the CEO is the Shire's complaints officer.
2	s5.121(1) & (2)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a) of the Local Government Act 1995?	Yes	No complaints were received for the reporting period
3	S5.121(2)	Does the complaints register include all information required by section 5.121(2) of the Local Government Act 1995?	Yes	No complaints were received for the reporting period
4	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes	No complaints were received for the reporting period



Tenders for Providing Goods and Services				
No	Reference	Question	Response	Comments
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	Yes	Current Policy reviewed OCM 24 September 2024
2	s3.57 F&G Reg 11	Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?	No	July 2024 - A successful tenderer was found not to be a WALGA preferred supplier, therefore the tender was non-compliant, it was referred to the Council who accepted the non-compliance and requested a review of the Shire's Purchasing and Procurement Policy (undertaken September 2024)
3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 of the Local Government Functions and General) Regulations 1996, required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)?	Yes	Confirmed - where regs 11(1), 12(2) or 13 applied all Tenders were advertised on Statewide Public Notices under Reg 14(3) and (4)
4	F&G Reg 12	Did the local government comply with Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?	N/A	No multiple contracts were entered into
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents, or each acceptable tenderer notice of the variation?	Yes	An electronic portal (Tenderlink) is used for the administration and distribution of tender documents, addendums and submissions. Addendums uploaded to the system are sent to all Tenderers who have downloaded the tender document to ensure compliance with regulation requirements



6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?	Yes	
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes	Tender Register is available to view and also posted on the Shire website
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	Yes	The Shire received two requests from potential tenderers to accept a late tender. In both cases (following Council Policy) the Shire did not accept these late tenders
9	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes	All tenders were evaluated and satisfied the criteria for F&G Reg 18(4)
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes	All tenderers were notified in writing of the tender outcome(s) as per F&G Reg 19
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?	Yes	The processes for the advertising of the EOI complied with F&G Regs 21 and 22
12	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	Yes	EOI was handled by the Contractor that had been awarded the Tender for the Carnarvon Activation Plan Project, two submissions for the EOI were received late and were not accepted for submission and evaluation
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	No	EOI was handled by the Contractor that had been awarded the Tender for the Carnarvon Activation Plan Project. EOI process was not followed according to F&G Reg 23(3) & (4)
14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24?	No	EOI was handled by the Contractor that had been awarded the Tender for the Carnarvon Activation Plan Project. EOI process was not followed according to F&G Reg 24



15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions & General) Regulations 1996 regulations 24AD(4) and 24AE?	N/A	The Shire did not progress with a panel of pre-qualified suppliers
16	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A	
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A	
18	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG?	N/A	
19	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A	
20	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A	
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A	
22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?	Yes	The Shire's Regional Price Preference Policy complies with F&G Regs 24E & 24F

Integrated Planning and Reporting				
No	Reference	Question	Response	Comments
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan?	Yes	27/09/2022



		If Yes, please provide the adoption date or the date of the most recent review in the Comments section?		SCP adopted 27/09/2022 (Simple Majority used, carried 7/0 so Absolute Majority achieved).
2	Admin Reg 19DA(1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	28/05/2024 Corporate Business Plan 2023 – 2027 (CBP) adopted by Absolute Majority 26.04.2023 CBP reviewed and updated by Absolute Majority OCM 28 May 2024
3	Admin Reg 19DA(2) & (3)	Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?	Yes	CBP 2023-2027 complies with the requirements of Local Government (Admin) Regulations 1996 19DA(2)&(3)

Optional Questions				
No	Reference	Question	Response	Comments
1	Financial Management Reg 5(2)(c)	Did the CEO review the appropriateness and effectiveness of the local government’s financial management systems and procedures in accordance with the Local Government (Financial Management) Regulations 1996 regulations 5(2)(c) within the three financial years prior to 31 December 2024? If yes, please provide the date of council’s resolution to accept the report.	Yes	13/06/2023 Reg 5 Review completed in the 2022/2023 financial year. Report accepted by Audit and Risk Committee 13/06/2023
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government’s systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2024? If yes, please provide date of council’s resolution to accept the report.	Yes	13/06/2024 Reg 17 Review in the 2023/2024 financial year. Report accepted by Audit and Risk Committee 25/06/2024.
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B of the Local Government Act 1995, were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section 5.87C of the Act?	N/A	There were no gift disclosures for the reporting period



4	s5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government’s website, a policy dealing with the attendance of council members and the CEO at events?	Yes	Policy EME002 reviewed and adopted by absolute majority OCM 26 March 2024
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government’s website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?	Yes	All required information on the website
6	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	Policy EME003 reviewed and adopted by absolute majority OCM 26 March 2024
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2023/2024 financial year and publish it on the local government’s official website by 31 July 2024?	Yes	The Shire retains a register on its website to show all training completed by Elected Members
8	s6.4(3)	By 30 September 2024, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2024?	Yes	
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?	Yes	

Chief Executive Officer

Date

Mayor/President

Date

5.2 AUDIT AND FINANCIAL REVIEW STATUS REPORT

File No:	ADM031
Location/Address:	N/A
Name of Applicant:	Shire of Carnarvon
Name of Owner:	N/A
Author(s):	Sarah Driscoll, Senior Finance - Operations
Authoriser:	Amanda Dexter, Chief Executive Officer
Declaration of Interest:	Nil
Voting Requirement:	Simple
Previous Report:	Nil
Schedules:	1. Audit & Financial Review Status Report - February 2025

Authority/Discretion:

- | | | |
|-------------------------------------|-----------------------|--|
| <input type="checkbox"/> | Advocacy | When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency. |
| <input type="checkbox"/> | Executive | The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets |
| <input type="checkbox"/> | Legislative | Includes adopting local laws, town planning schemes and policies. |
| <input checked="" type="checkbox"/> | Information | Includes items provided to Council for information purposes only that do not require a decision of Council (i.e. – for noting). |
| <input type="checkbox"/> | Quasi-judicial | When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses |

Summary of Report

To present to the Audit and Risk Committee the Audit and Financial Review Status Report. The main purpose of the Audit and Financial Review Status Report is to provide Council oversight of the progress of the Shire of Carnarvon in implementing actions to address the audit and financial review findings and recommendations arising from internal audits and external reviews.

Background

The primary objective of the Audit and Risk Committee is to accept responsibility for the annual external audit and consult with the Shire's auditor and CEO so that Council can be satisfied with the performance of the Shire of Carnarvon with managing its financial affairs and risk matters. As part of the Council's committee structure, the Audit and Risk Committee was established to review areas of an audit.

The main purpose of the annual financial audit and financial reviews is to examine the appropriateness and effectiveness of the financial management systems and procedures, risk management, internal control and legislative compliance of the Shire. Following the finalisation of an internal audit and/or external review, recommendations and findings are included in the Audit and Financial Review Status Report to ensure progress is monitored and recorded.

Stakeholder and Public Consultation

Nil

Statutory Environment

Local Government (Financial Management) Regulations 1996 5(2)(c)

(2) *The CEO is to —*

- c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.*

Local Government Act 1995 – Section 7.9

- (1) *An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —*
...
- (2) *Without limiting the generality of subsection (1), where the auditor considers that –*
 - a) there is any error or deficiency in an account or financial report submitted for audit;*
 - (b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or*
 - (c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government,*
details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.

Local Government (Audit) Regulations 1996.

Relevant Plans and Policy

Nil

Financial Implications

There are no financial implications from this report.

Risk Assessment

		STEP 3 – Risk Tolerance Chart Used to Determine Risk				
Consequence →		Insignificant 1	Minor 2	Major 3	Critical 4	Extreme 5
Likelihood ↘						
Almost certain	A	High	High	Extreme	Extreme	Extreme
Likely	B	Moderate	High	High	Extreme	Extreme
Possible	C	Low	Moderate	High	Extreme	Extreme
Unlikely	D	Low	Low	Moderate	High	Extreme
Rare	E	Low	Low	Moderate	High	High

Risk Category	Description	Rating	Mitigating Action/s
Financial	N/A	N/A	N/A
Health & Safety	N/A	N/A	N/A
Reputation	Reputational risks if it is found that any findings brought about in internal audits and external reviews are not addressed.	High	Monitoring Audit and Financial Review Status Reports will assist in maintaining accountability and managing any reputational risk regarding the Shire’s financial position and management.
Service disruption	N/A	N/A	N/A

Compliance	Compliance failures if areas identified for improvement are not addressed.		Review any possible non-compliance brought to attention by external audits and internal reviews. Determine if matters raised in the reports require further action and ensure that appropriate action is implemented.
Property	N/A	N/A	N/A
Environment	N/A	N/A	N/A
Fraud	N/A	N/A	N/A

Community and Strategic Objectives

The tabling of the Audit and Financial Review Status Report aligns itself with no specific objective as expressed in the Community Strategic Plan 2022-2032. It does however help in improving the trust between citizens and the Shire of Carnarvon.

OBJECTIVES

In 2040 Carnarvon is a place where:

- N/A

ADDITIONAL FOCUS AREAS:

- *Improve the trust between citizens and the Shire of Carnarvon*

BIG IDEAS FOR THE FUTURE OF CARNARVON:

- N/A

Comments

The Audit and Financial Review Status Report, attached at *schedule 1*, provides the Committee with the status and progress of findings and recommendations from the following audits and reviews:

- Internal Finance Department Review – March 2023
- Regulation 5 Review – 2023
- Regulation 17 Review – 2024
- Annual Finance Audit Findings - 2024

A current Audit and Financial Review Status Report will be presented to the Committee at each Audit and Risk Committee meeting. Items that were marked as complete in the previous report presented on December 11, 2024 have not been represented in the current report.

Officers acknowledge that all items marked as ongoing in the previous Audit and Financial Review Status Report, besides two items, are still ongoing. The timing of staff annual leave during the December 2024 – January 2025 period as well as Officer’s focus on the 24/25 Budget Review, has hindered findings from progressing further. Officer’s will ensure that required findings will be addressed prior to the next Audit & Risk Committee meeting.

OFFICER’S RECOMMENDATION

That the Audit and Risk Management Committee Meeting receive the Review Status Report – February 2025 as per Schedule 1.

AUDIT & FINANCIAL REVIEW STATUS REPORT
Updated as at 25.02.2025

Financial Department Review
March 2023

Ref#	Finding	Significant	Moderate	Minor	Assessment	Implication	Recommendation	Management Comment	Follow-up comments
6	Career progression				Knowledge of career advancement/opportunities not being identified in finance department	Staff not motivated in current due to perceived lack of future opportunities	Develop a succession planning strategy to offer opportunities for growth and career advancement.	Succession planning is part of the overall Shire People & Culture Strategy. Opportunities are available to finance staff for career advancement.	Ongoing - Finance team structure to be re-reviewed with CEO & Executive Manager of Corporate Strategy & Performance
7	Review Finance Department structure				Change the Manager of Finance position to a Senior Finance Officer positions.	Revision of Finance Department structure needs to reflect current needs of the finance function	Review the structure of the finance department annually during the budget preparation process.	Structure of finance department reviewed for 2023/2024 budget. Structure will be reviewed annually.	No longer relevant to the current needs of the Finance team

Shire of Carnarvon
Reg 5 Findings for the year ended 30 June 2023

Ref#	Finding	Significant	Moderate	Minor	Assessment	Implication	Recommendation	Management Comment	Followup comments
37	7.2.2 Tender Register				Statutory register of tenders called.	On inspection of the tender register we noted two instances where the summary value of the successful tender was not recorded in the tender register or available through the minute record awarding the tender.	Ensure the tender register complies with Regulation 17 of the Local Government (Functions and General) Regulations 1996 for any future tenders called.		Tender register maintained by Senior Executive Officer
6	6.1.3 Business Continuity Plan				Plan to facilitate organised decision-making in the event of a major incident impacting the Shire's ability to continue normal operations.	Business Continuity Plan was not available for our review.	Develop a Business Continuity Plan and test it to ensure its validity. The plan should facilitate organised decision making in the event of any major disruption impacting the Shire's ability to continue normal operations, with testing involving relevant and key personnel to ensure validity of the identified risks and treatments within the plan.	DCEO was previously tasked with this. Finance team will look at completing at the start of 2025.	Budget review ensured there is enough money in the consultancy budget to engage a Consultant to update this plan before 30 June 2025.
10	6.2.2 Procedure Changes				Process to control and manage change to procedures.	Process for amending or changing procedures has not been formalised. This creates opportunities for unilateral unauthorised changes to procedures and a breakdown in key controls.	Establish a process for the development, review, amendment and authorisation of procedures, checklists and other internal control documentation, throughout the Shire to assist with managing changes to procedures.	Deputy Chief Executive Officer was tasked with implementing this and was to discuss with the Council as a report and adopt in council meetings.	Finance Manager will work with Executive Manager of Corporate Strategy & Performance to ensure there is a process for procedure changes. Acknowledging that there will be multiple procedural changes in the next few months with the amalgamation of Finance and People & Culture teams. This will be completed before the end of the FY.
11	6.2.3 Risk Management Procedures				Procedures and practices to set out a uniform approach to the identification, assessment, management, reporting and monitoring of risks.	Some risk management activities currently undertaken are largely undocumented.	<ul style="list-style-type: none"> Risk management should underpin the financial management of the Shire as such implementation of risk management procedures is considered important. Risk management procedures and processes are to be developed in accordance with the latest risk management standard (ISO 31000:2018). Implement risk management procedures and processes throughout the whole organisation. 	Deputy Chief Executive Officer was tasked with implementing this. DCEO was to discuss with the Council as a report for adoption. Senior Finance Officer will now complete	Finance Manager and Executive Manager of Corporate Strategy & Performance to work on finalising risk management procedures before end of FY.

25	6.2.17 Overhead & Administration Allocations				To allocate indirect costs in a practical and efficient manner.	No process is currently in place to determine the allocation of indirect costs for plant or public works overheads. From staff representations, current allocation rates are based on historical estimates and no calculation method to support the allocations was available for review.	Undertake a review of activity-based costings to support calculation of overheads. Question for Auditors: Can this be explained further to correct our understanding?	To be reviewed by Senior Finance Officer & AccWest as part of mid year budget review	<i>Finance Manager & AccWest investigated this during mid year budget review process. Found the process would be too timely to complete for budget review. Overhead rates are now in the process of being reviewed prior to completion of 25/26 Budget.</i>
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Regulation 17 Review
2023 Regulation 17 Review Findings

Ref#	Finding	Extreme Risk	High Risk	Moderate Risk	Low Risk	Implication	Recommendation	Management Comment	Follow-up comments
4	Two instances where the contract retained on file was not signed by the Shire and the Contractor as evidence of acceptance of the Terms and Conditions of contracting.			✓		Lack of authorized documentation in respect to contractual rights and obligations arising from contracts previously entered into.	We recommend documentation be retained to ensure there is a record of agreements and service contracts entered into.	<i>Agreed that adequate records are required to document agreements and service contracts entered into by the Shire. Procedures for documenting agreements and service contracts will be developed.</i>	<i>Ongoing - Infrastructure will ensure this is in place before 31 March 2025. A clear process needs to be in place prior to new Infrastructure staff members joining the Shire.</i>
11	Our enquiries identified that the Shire's Local Emergency Recovery Plan is 5 years old and requires review			✓		Risk of non-compliance with the Emergency Management Act 2005	We recommend a Local Emergency Recover Plan be developed and approved.	<i>The Shire does have a Local Emergency Recover Plan 2019. Due to the age of the plan the Shire will update the Local Emergency Recover Plan with the view of having the plan endorsed by the Carnarvon Local Emergency Management Committee and Council.</i>	<i>Budget review ensured there is enough money in the consultancy budget to engage a Consultant to update this plan before 30 June 2025.</i>
9	Currently no centralised contracts register is maintained.				✓	Risk of contracts being managed incorrectly.	We recommend a contract register be developed and maintained by the Shire of Carnarvon. This register should include details in respect of the contract terms, insurance details and any special considerations relevant to the contract.	<i>As recommended the contract register will be developed and maintained by the Shire of Carnarvon.</i>	<i>Procurement Officer will have this updated and completed by April 30 2025.</i>

Final Audit
2024 FY Final Financial Audit Management Letter Findings

Ref#	Finding	Extreme Risk	High Risk	Moderate Risk	Assessment	Implication	Recommendation	Management Comment	Follow-up comments
5	Unclaimed monies			✓	We noted that the payable balances in general ledger account 163910, that holds excess monies owed to ratepayers, had a net outstanding balance of \$6,647 at 30 June 2024, reflecting a decrease of only \$777 compared to the previous year.	There is a risk that trade and other payables may be misstated, and the Shire may be in breach of the Unclaimed Money Act 1990.	We recommend that the Shire actively reconciles their unclaimed monies balance and management transfer any unclaimed monies held by the Shire for 6 years or more to the Department of Treasury, where they have been unable to contact the relevant ratepayers.	Staff have reconciled the account and are in the process of contacting customers regarding refunds of amounts held. It is expected that an amount of \$121.89 will be sent to Treasury as unclaimed money as a result of this process.	Will be completed by 31/03/2024
6	6. Accounts Payable Suspense Accounts				We noted that the trade and other payables balance reported in the annual financial report at 30 June 2024 included suspense accounts (general ledger account 163810) with a balance of \$11,301, a slight increase as compared to the prior year.	Lack of regular and timely review of transactions in the suspense account increases the risk that transactions may not be correctly classified and that balances could be misstated. Suspense accounts are temporary accounts that must be closed at the end of the financial year.	We recommend that transactions in the suspense accounts are reviewed on a regular basis and posted to the appropriate accounts. Suspense accounts should be reconciled at year end.	Staff have been reconciling and reviewing this account. \$9,799 relates to deposits for a development in Coral Bay that we are seeking archived records for, to confirm if the works associated with the development are complete. The remaining balance of the funds held will likely be recognised as revenue in 2025.	Will be completed by 31/03/2024
2	Incorrect recognition of GST			✓	During our sample testing of revenue and expenditure transactions, we noted two revenue samples and one expenditure sample where the recognised amounts were GST inclusive. This led to the overstatement of revenue and understatement of expenses, with GST not being recorded separately. The GST tax payments are also potentially understated/ overstated. The GST portion of each transaction should be recorded in a separate GST account.	There is a risk of material misstatements to revenue and expenditure balances.	The Shire should update its procedures to ensure that revenue and expenditure transactions are recognised exclusive of GST.	All finance staff members recently attended an inhouse training session on how to correctly treat GST transactions to minimise the risk of any understatement/overstatement of GST transactions. Multiple frequently used receipting and expenditure accounts were reviewed and the GST status of the accounts were amended. Senior Finance Officer is currently in the process of updating the Finance Team's formal process of GST recognition for both income and expenditure and a formal review process is now included in the BAS preparation each month to review GST allocation	Ongoing - Finance Manager in process of updating teams formal process of GST recognition. This will be completed with other procedure changes that will be occurring after the amalgamation of Finance and People, Culture & Systems teams. This will be completed before EOFY.

6 DATE OF NEXT MEETING

7 CLOSE