

# **Agenda**

**Unconfirmed copy**

## **Special Meeting Audit & Risk Committee**

**Wednesday, 3 December 2025 at 1.30 pm.**

**COUNCIL CHAMBERS, 15 ADAM STREET, NANNUP**

The purpose of the Special meeting is for the Committee to:

1. Confirm the minutes from the Audit and Risk Committee meeting held on 8 May 2025 as a true and correct record, and
2. Meet with the Office of the Auditor General (Auditor) and it's representatives, by electronic means, to conduct the Audit Exit meeting in relation to the 2024/2025 Financial Audit.

Advice Note: The meeting will be closed to the Public when the meeting with the Auditor General representatives occurs.

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## Risk Management:

The Shire of Nannup considers risk management to be an essential management function in its operations. It recognises that the risk management responsibility for managing specific risks lies with the person who has the responsibility for the function, service or activity that gives rise to that risk.

## Assessing Risk:

Shire Nannup Consequence Guide							
Rating Level	Health	Financial	Reputational	Compliance	Service disruption	Assets	Environment
<b>Low</b> (Minor)	First Aid Injury	Less than \$5,000	Unsubstantiated No real impact	Negligible statutory impact	Little disruption	Inconsequential Damage	Contained and minimal
<b>Medium</b> (Moderate)	Lost Time Injury <30 days	\$25,001 to \$100,000	Substantial public embarrassment moderate news profile	Short term but significant regulatory imposts	Temporary interruption and additional resources needed	Localised damage requiring external sources to rectify	Contained reversible impact with external agencies
<b>High (Major – Extreme)</b>	Lost time injury >30 days or a fatality	\$100,001 To \$500,000+	Substantiated prolong public embarrassment with widespread news	Non-Compliance resulting in litigation or criminal charges	Prolonged interruption greater than 1 month+	Excessive damage to complete loss of asset.	Uncontained irreversible impact

Shire Nannup Likelihood Guide			
Level	Rating	Description	Frequency
5	<b>Almost Certain</b>	The event is expected to occur in most circumstances	More than once per year
4	<b>Likely</b>	The event will probably occur in most circumstances	At least once per year
3	<b>Possible</b>	The event should occur sat sometimes	At Least three per year
2	<b>Unlikely</b>	The event could occur at some time	At least once in 10 years
1	<b>Rare</b>	The event may occur in exceptional circumstances	Less than once in 15 years

Shire Nannup Risk Matrix			
Likelihood \ Consequence	Low (1)	Medium (2)	High (3)
5 – Almost Certain	Medium (5)	High (10)	Extreme (15)
4 – Likely	Medium (4)	High (8)	High (12)
3 – Possible	Low (3)	Medium (6)	High (9)
2 – Unlikely	Low (2)	Medium (4)	Medium (6)
1 – Rare	Low (1)	Low (2)	Medium (3)

Shire Nannup Acceptance Criteria Guide			
Rating Level	Description	Criteria	Responsibility
<b>Low</b> (Minor)	<b>Acceptable</b>	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operations Managers and Coordinators
<b>Medium</b> (Moderate)	<b>Attention Required</b>	Risk Acceptable with excellent controls, managed by senior staff subject to regular (1-3 Month) monitoring	Manager Corporate Services/CEO
<b>High (Major – Extreme)</b>	<b>Unacceptable</b>	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level authority and subject to continuous monitoring	CEO and Council

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## MINUTES

### 1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS/ACKNOWLEDGMENT OF COUNTRY:

The Presiding Member declared the meeting open at 1.30pm there was no one in the public gallery.

The Presiding Member acknowledged the traditional custodians of the land, the Wardandi and Bibbulmun people, paying respects to Elders past, present, and emerging.

### 2. ATTENDANCE/APOLOGIES:

#### 2.1 ATTENDANCE

Presiding Member/Shire President	Timothy Sly
Deputy Shire President	Vicki Hansen
Councillor	Lynette Curtis
Councillor	Patricia Fraser
Councillor	Cheryle Brown
Councillor	Nancy Tang
Councillor	Anthony (Tony) Dean

Chief Executive Officer	David Taylor
Executive Manager Corporate Services	Kim Dolzadelli
Executive Support Officer	Lisa Atkinson
Finance Coordinator	Robin Lorkiewicz

#### 2.2 APOLOGIES

Councillor Anthony (Tony) Dean.

### 3. PUBLIC QUESTION TIME:

Nil.

### 4. MEMBERS ON LEAVE OF ABSENCE AND APPLICATIONS FOR LEAVE OF ABSENCE:

#### 4.1 APPROVED LEAVE OF ABSENCE:

Nil.

#### 4.2 APPLICATION FOR A LEAVE OF ABSENCE:

Nil.

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## 5. CONFIRMATION OF MINUTES:

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### 5.1 Audit and Risk Committee Minutes – 8 May 2025

#### **EXECUTIVE RECOMMENDATION:**

That the minutes from the Audit and Risk Committee meeting held on 8 May 2025 be confirmed as a true and correct record (attachment 5.1).

#### **COMMITTEE RESOLUTION 031225.1**

**MOVED: CR HANSEN**

**SECONDED: CR CURTIS**

*That the minutes from the Audit and Risk Committee meeting held on 8 May 2025 be confirmed as a true and correct record (attachment 5.1).*

**CARRIED**

**TOTAL VOTES FOR: 6**

*Cr Hansen, Cr Curtis, Cr Brown, Cr Fraser, Cr Sly, Cr Tang*

**TOTAL VOTES AGAINST: 0**

## 6. ANNOUNCEMENTS FROM PRESIDING MEMBER:

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Nil.

## 7. DISCLOSURE OF INTEREST:

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Nil.

The Shire of Nannup Disclosure of Interest Register is on our website [here](#).

## 8. REPORTS OF OFFICERS:

AGENDA NUMBER & SUBJECT:	8.1 – Meeting with Auditor - Conduct of Audit Exit Meeting
LOCATION/ADDRESS:	Various
NAME OF APPLICANT:	N/A
FILE REFERENCE:	FNC1
AUTHOR:	Kim Dolzadelli–Executive Manger Corporate Services
REPORTING OFFICER:	Kim Dolzadelli–Executive Manger Corporate Services
DISCLOSURE OF INTEREST:	Nil
DATE OF REPORT:	25 November 2025
PREVIOUS MEETING REFERENCE	Nil
ATTACHMENTS:	8.1.1 - Shire of Nannup Draft Annual Financial Report - 2024-25 8.1.2 - Audit Exit Brief (Confidential Attachment) 8.1.3 - Interim Management Letter (Confidential Attachment) 8.1.4 - 2025 Audit Completion Report (Confidential Attachment) 8.1.5 - Audit Planning Summary (Confidential Attachment)

### BACKGROUND:

A local government is to meet with the auditor of the local government at least once in every year.

Council has delegated this power to the Audit and Risk Committee (ARC) to conduct the formal meeting with the Shire’s external Auditor required in accordance with section 7.12(A)(2) of the local government Act 1995.

It is noted that all Council members are also members of the Committee.

### COMMENT:

The Local Government Act 1995 and the Local Government (Audit) Regulations 1996 stipulate that the Office of the Auditor General (OAG) is to carry out the financial audit of all local governments in Western Australia, noting that approximately 85% of WA local governments annual financial audits are further outsourced by the OAG.

During the 2024/25 financial year audit, Council staff liaised directly with AMD Chartered Accounts, who in turn, communicated directly with the OAG throughout the process

In Finalising the Audit of the Annual Financial Statements for the period ending 30 June 2025 (attachment 8.1 Shire of Nannup Draft Annual Financial Report - 2024-25), the OAG, Councils appointed Auditor holds what is termed an “Audit Exist” meeting to close out the Audit process prior to the issuance of the Final Auditors Report and signed of Annual Financial Statements.

Normally the OAG require the Shire President, Chief Executive Officer, and Finance Officers as the minimum attendings. These meeting are held by electronic means.

Given that the ARC has delegated power to conduct the required formal meeting with the Shire's external Auditor the author is recommending that the ARC meet with the Office of the Auditor General (Auditor) and its representatives, by electronic means, to conduct the Audit Exit meeting in relation to the 2024/2025 Financial Audit.

## **STATUTORY ENVIRONMENT:**

### **Local Government Act 1995**

#### ***Division 4***

#### **7.12A. Duties of local government with respect to audits**

- (1) A local government is to do everything in its power to -
  - (a) assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and
  - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.

Regulation 19 of the *Local Government (Administration) Regulations 1996* requires that a written record of each delegated decision is kept.

The Local Government Act 1995 and the Local Government (Audit) Regulations 1996 stipulate that the OAG is to carry out the financial audit of all local governments in Western Australia, noting that approximately 85% of WA local governments annual financial audits are further outsourced by the OAG.

## **POLICY IMPLICATIONS:**

Nil

## **FINANCIAL IMPLICATIONS:**

Nil

## **RISK MANAGEMENT MATRIX:**

The Shire, through its adopted Risk Management Framework, has identified a number of risk areas that need to be assessed and where necessary treated, like, but not limited to:

Audit risks	Financial and credit risks
Operational risks	Technological and IT risks
Compliance and regulatory risks	Environmental risks
Legal risks	Strategic risks
Political risks	Sustainability and security risks

Officers have undertaken a Risk Assessment which is shown below:

Risk	Likelihood	Consequence	Risk Rating	Risk Description	Mitigation/Controls
Failure to meet statutory requirement to meet annually with Auditor (s.7.12A(2) LG Act)	2 – Unlikely	High (3)	Medium	If the ARC does not hold the required Audit Exit meeting, the Shire would be non-compliant with the Local Government Act 1995, potentially prompting OAG concern and follow-up.	ARC delegated authority to meet with OAG; meeting scheduled electronically; inclusion of Shire President, CEO and Finance officers; agenda item and officer recommendations documented; minute-taking to evidence compliance.

**STRATEGIC IMPLICATIONS:**

Nil.

**VOTING REQUIREMENT:**

Simple majority.

**OFFICER RECOMMENDATION 1:**

That the Audit and Risk Advisory meet with the Office of the Auditor General (Auditor) and its representatives, by electronic means, to conduct the Audit Exit meeting in relation to the 2024/2025 Financial Audit.

**OFFICER RECOMMENDATION 2:**

That Standing Orders be suspended to enable open communication in meeting with the Office of the Auditor General (Auditor) and its representatives, by electronic means.

**OFFICER RECOMMENDATION 3:**

That Audit and Risk Committee go behind closed doors enable open communication in meeting with the Office of the Auditor General (Auditor) and its representatives, by electronic means.

**COUNCIL RECOMMENDATION:**

Presiding Member Cr Sly advised that Officer Recommendations 1-3 be moved en-bloc.

**COMMITTEE RESOLUTION 031225.2****MOVED: CR HANSEN****SECONDED: CR TANG**

- 1. That the Audit and Risk Advisory meet with the Office of the Auditor General (Auditor) and its representatives, by electronic means, to conduct the Audit Exit meeting in relation to the 2024/2025 Financial Audit.**
- 2. That Standing Orders be suspended to enable open communication in meeting with the Office of the Auditor General (Auditor) and its representatives, by electronic means.**
- 3. That Audit and Risk Committee go behind closed doors enable open communication in meeting with the Office of the Auditor General (Auditor) and its representatives, by electronic means.**

**CARRIED****TOTAL VOTES FOR: 6****Cr Hansen, Cr Curtis, Cr Brown, Cr Fraser, Cr Sly, Cr Tang****TOTAL VOTES AGAINST: 0**

**Advise Note:** The meeting will go behind closed doors to allow open communication including the ability for the Committee to have staff leave the meeting such that it may directly discuss staff performance through the audit process.

Reason for Confidentiality: Local Government Act 1995 (WA)

Section 5.23 (2) (f) - "a matter that if disclosed, could be reasonably expected to –

- (i) impair the effectiveness of any lawful method or procedure for preventing, detecting, investigating or dealing with any contravention or possible contravention of the law;
- (ii) endanger the security of the local government's property; or
- (iii) prejudice the maintenance or enforcement of a lawful measure

Section 5.23 (2) (a) - "a matter that if disclosed, could be reasonably expected to –

- (i) a matter affecting an employee or employees.

**OFFICER RECOMMENDATION 4:**

That the meeting comes out of Closed Doors and reinstates Standing Orders on completion of the meeting with Auditors.

**COMMITTEE RESOLUTION 031225.3****MOVED: CR TANG****SECONDED: CR FRASER**

*That the meeting comes out of Closed Doors and reinstates Standing Orders on completion of the meeting with Auditors.*

**CARRIED****TOTAL VOTES FOR: 6****Cr Hansen, Cr Curtis, Cr Brown, Cr Fraser, Cr Sly, Cr Tang****TOTAL VOTES AGAINST: 0****OFFICER RECOMMENDATION 5:**

That the Audit and Risk Committee advises Council that it has completed Audit Exit meeting with the Auditors in accordance with section 7.12(A)(2) of the local government Act 1995, on Wednesday, 3 December 2025.

**COMMITTEE RESOLUTION 031225.4****MOVED: CR HANSEN****SECONDED: CR BROWN**

*That the Audit and Risk Committee advises Council that it has completed Audit Exit meeting with the Auditors in accordance with section 7.12(A)(2) of the local government Act 1995, on Wednesday, 3 December 2025.*

**CARRIED****TOTAL VOTES FOR: 6****Cr Hansen, Cr Curtis, Cr Brown, Cr Fraser, Cr Sly, Cr Tang****TOTAL VOTES AGAINST: 0****12 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN:**

Nil.

**13. MEETING MAY BE CLOSED:**

Nil.

**14. CLOSURE OF MEETING:**

The Presiding member closed the meeting at 1.52pm.

**Attachments**

Item	Attachment	Title
5.1	1	Audit and Risk Committee Meeting held on 8 May 2025
8.1.1	1	Shire of Nannup Draft Annual Financial Report -2024-25
8.1.2	1	Audit Exit Brief (Confidential Attachment)
8.1.3	1	Interim Management Letter (Confidential Attachment)
8.1.4	1	2025 Audit Completion Report (Confidential Attachment)
8.1.5	1	Audit Planning Summary (Confidential Attachment)