

## SHIRE OF NANNUP

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

## FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Masterfile validity and accuracy	No		✓		
2. Outdated policy and plan reviews	No			✓	
3. Fuel cards	No			✓	

**Key to ratings**

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

**Significant** - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

**Moderate** - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

**Minor** - Those findings that are not of primary concern but still warrant action being taken.

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## FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

## 1. Masterfile validity and accuracy

**Finding**

While we understand that masterfile changes made are subject to independent review, it was noted that a review of masterfile changes for supplier and employee bank account master file changes is not carried out on a periodic basis.

**Rating: Moderate****Implication**

There is an increased risk that erroneous changes made to master files have a low chance of being detected in a timely manner and suspicious/fraudulent changes made to master files have a low chance of being detected in a timely manner.

**Recommendation**

We recommend an independent review of all changes made to master files be conducted periodically. This review should involve:

- A download of all changes made to each supplier and employee bank account master files;
- A representative sample be tested and traced to originating/supporting documentation to assure validity and timeliness; and
- A review of any suspicious master file changes (e.g. changes to bank details, unusual variations to pay rates and amendments to existing supplier bank account details) be performed.

**Management comment**

*Agree with finding, audit trail listings to be undertaken as part of End of Month procedures by Coordinator of Finance with following to occur:*

- *a download of all changes made to each supplier and employee bank account master files;*
- *a representative sample be tested and traced to originating/supporting documentation to assure validity and timeliness; and*
- *a review of any suspicious master file changes (e.g. changes to bank details, unusual variations to pay rates and amendments to existing supplier bank account details) be performed.*

**Responsible person:**

Finance coordinator – Robin Lorkiewicz

**Completion date:**

30 June 2025

**SHIRE OF NANNUP****PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025****FINDINGS IDENTIFIED DURING THE INTERIM AUDIT****2. Outdated policy and plan reviews****Finding**

Our review of the Shire of Nannup's policies and plans noted that the Adverse Event Plan was scheduled for review in March 2023, furthermore the Shire's Policy Manual was scheduled for review in July 2024, however as at the date of our interim audit, these reviews were yet to be carried out.

**Rating: Minor****Implications**

Risk of the Adverse Event Plan and the Shire of Nannup's Policy Manual being out of date and not reflective of the current practices of the Shire of Nannup.

**Recommendation**

We recommend that the Adverse Event Plan and the Shire's Policy Manual be reviewed and updated as required in accordance with the Shire's review dates specified.

**Management comment**

*In November 2024 the Shire of Nannup was fortunate to be able to recruit a Governance specialist bringing with them over 24 years of Governance and Policy experience working for the City of Wanneroo.*

*The Shire of Nannup has since developed a "Council Policy Development and Review Framework Policy inclusive of a Policy Template" which was adopted by Council at its meeting held 24/04/2025.*

*The Review of individual Policies is an ongoing process with the following actions completed to date:*

- *new Risk Management Policy "RM1" adopted by Council 22/08/2024 Resolution 220824.14,*
- *new Policy ADM 27 "Council Policy Framework" adopted 24/04/2025 resolution 240425.9*
- *new Policy ADM28 "Council Member, Committee Member and Candidate Code of Conduct Complaint Handling Policy" adopted 26/06/2025 resolution 260625.7,*
- *policy ADM 10 "Councillor Fees and Reimbursements" Policy Repealed at Council Meeting of 25 September 2025 Resolution # 250925.4,*
- *policy ADM 25 "Hardship" Policy Repealed at Council Meeting of 25 September 2025 Resolution # 250925.4,*
- *policy FNC 3 "Community Group Grants and Donations" Policy repealed at the 25 September 2025 Council meeting and replaced with a new policy – Community Donations and Grant Funding. The policy is shown as a stand alone link on the Shire's Policy Page .*
- *policy FNC 5 "Rates Rebates for Pensioners" Repealed at Council meeting of 25 September 2025, Resolution # 250925.4. Policy Number FNC5 now refers to a new policy adopted by Council on 25 September 2025 – "Defer, Grant Discounts, Waive or Write Off Debts..*

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- *new/Replacement Policy ADM10 "Councillor Allowances and Reimbursements adopted 25/09/2025 resolution 250925.4,*
- *new/Replacement Policy FNC 3 "Community Donations and Grant Funding adopted 25/09/25 resolution 250925.4,*
- *new/Replacement Policy FNC 5 "Defer, Grant Discounts, Waive or Write Off Debts adopted 25/09/25 resolution 250925.4*

*The Adverse Event Plan will be reviewed by 30/06/2026*

**Responsible person:** Policies Executive Manager of Corporate Services  
Kim Dolzadelli,  
Adverse Event Plan Chief Executive Officer David Taylor

**Completion date:**

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## 3. Fuel cards

**Finding**

Through our enquiries and discussions with management it was identified that there is currently no specific fuel card policy in place, nor is there a register of fuel cards maintained.

**Rating: Minor****Implications**

There is an increased risk of error, fraud or inappropriate use of fuel cards may not be detected on a timely basis.

**Recommendation**

We recommend a formal fuel card policy be developed and communicated to all staff. Additionally, we recommend a register of all fuel cards be maintained by the Shire.

**Management comment**

*Agree that a Fuel Card Policy be developed. With respect to a Register of cards being maintained we have the following in place:*

- the register of fuel cards is on the Ampol Portal – we are able to manage and update cards and users through this system.*
- the portal allows for restrictions to be placed on cards as required – for example the card detail below shows that only the correct fuel type may be purchased for this vehicle and that daily and weekly limits have been set against the card.*
- also as shown on this card detail, the daily and monthly dollar limit can be set for each card, depending on use type and volume.*

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Account Name X

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Card Detail   Card Actions   Transfer Card   Transactions   History and Status

Card usage options

Verification Method  
Signature

Monthly dollar limit  
\$1000

Daily dollar limit  
\$200

☐ Odometer required  
☐ Order no. required

Products and services \* (at least one option is required)

☐ All products  
☐ PREMIUM 98 A  
☐ PREMIUM 95 A/Pulp  
☒ Diesel/PDSL/A/blue Pump  
☐ Ulp/E10/LAF91/EFlex  
☐ LPG  
☐ CNG

☐ Oils/Lubricants/AdbluePk  
☐ Bottled Gas  
☐ Car Wash  
☐ Goods  
☐ Service Parts  
☐ Workshop

Value Added Services

☐ Enable FuelPay via Ampol app  
Link AmpolCard to the Ampol app for seamless payments from your mobile device using FuelPay.  
☐ Roadside Assistance\*  
☐ Services and Repairs\*  
**\*Incorrect vehicle information may result in services not being provided.**

CLOSE

Responsible person: Kim Dolzadelli  
Completion date: 31/12/2025