

AUDIT AND RISK COMMITTEE – STATUS REPORT

February 2024	12.2 AUDITORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023	Auditors' Management Letter; Outstanding Commonwealth certifications <i>Shire has not yet completed the annual Commonwealth certification audits in relation to Local Roads and Community Infrastructure Program (LRCIP) and Roads to Recovery Program (RTR) for both financial reporting periods ending 30 June 2022 and 30 June 2023. Audited certifications were due to be submitted to Australian Government Department of Infrastructure, Transport, Regional Development, Communications and the Arts by 31 October each year.</i>	2021-2022 and 2022-2023 Certifications for Roads to Recovery and Local Roads and Community Infrastructure Program are outstanding. Completion of these is a priority and the Manager of Finance & Administration is working with auditors from Moore Australia WA to have the Certifications complete for final sign off by the OAG as soon as possible.	In Progress	Chief Executive Officer
September 2025	11.1 AUDITORS' INTERIM REPORT FOR THE YEAR ENDED 30 JUNE 2025	Interim Audit Management Letter; Procurement and Purchases <i>The Shire's Purchasing Policy requires them to obtain at least three (3) written quotations from a suitable supplier for purchases between \$20,001 and \$50,000 and obtain at least three (3) written quotations containing price and specification of goods and service for purchases between \$50,001 and \$250,000.</i> <i>We noted five instances (out of 26 samples) where the number of quotes obtained were not in line with the Purchasing Policy. We also noted one instance where the purchase order was raised after the invoice was received.</i> <i>This finding was initially raised in 2024, and since then, management has consistently reminded all staff of the requirement to adhere to the established policy. Management has also committed to continuing these reminders and reinforcing the importance of compliance through ongoing discussions.</i>	<i>Discussions are continually had with staff over the need to obtain the required number of quotations in accordance with the Purchasing Policy. While all endeavours are made, in the current climate there is sometimes resistance from contractors to provide quotes without guarantee of securing the work they are quoting on, and it is difficult to source the required number of quotes. Internal processes will be strengthened to document these instances and provide rationale when sufficient quotes cannot be obtained. Procurement forms have been developed for this purpose and staff will be reminded of the need to complete these.</i> <i>All staff have been, and will continue to be, reminded of the need to issue purchase orders at the time of ordering goods and services.</i>	Completed and ongoing	Chief Executive Officer

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September 2025	11.1 AUDITORS' INTERIM REPORT FOR THE YEAR ENDED 30 JUNE 2025	Interim Audit Management Letter; Information, Technology and Communication (ICT) plans and policies <i>The Shire has not implemented a comprehensive framework of ITC-related policies, nor does it have a comprehensive IT strategic plan and IT disaster recovery plan in place.</i> <i>This finding was initially raised in 2024, and management has since engaged an external consultant to address the matter during the 2025/26 financial year.</i>	<i>Development of an ICT framework and strategy was identified as a priority in the Shire's Corporate Business Plan and Risk Management processes and was also raised in the 2023/24 audit. An external consultant has recently been engaged to assist with development of the ICT Framework and Strategy, which includes development of ICT policies, and this will be completed during the 2025/26 financial year.</i>	In Progress	Chief Executive Officer
September 2025	11.1 AUDITORS' INTERIM REPORT FOR THE YEAR ENDED 30 JUNE 2025	Interim Audit Management Letter; Policies and procedures <i>As per the Financial Management Review performed in November 2024, we noted the following policies and procedures are not being tested to ensure its validity:</i> <i>Business Continuity Plan.</i> <i>Record Keeping Disaster Management Plan.</i> <i>We also noted the following policies and procedures are largely undocumented or are outdated:</i> <i>Risk Management Procedures.</i> <i>Risk Register</i>	<i>The Shire's Risk Management procedures and register require review and update, which is planned to be undertaken in the first half of the 2025/26 year.</i> <i>With external assistance, scenarios to test both the Business Continuity Plan and Record Keeping Disaster Management Plan will be scheduled during the 2025/26 year.</i>	In Progress	Chief Executive Officer

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