AUDIT AND RISK COMMITTEE – STATUS REPORT

MEETING DATE	ITEM NO. & TITLE	ISSUE	RESPONSE	STATUS	RESPONSIBLE OFFICER
February 2024	12.2 AUDITORS' REPORT FOR THE YEAR ENDED 30 JUNE 2023	**Auditors' Management Letter; Outstanding Commonwealth certifications** *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.*	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; Information, Technology and Communication (ICT) plans and policies** *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.* *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.*	*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 been engaged to assist with the development of the ICT Framework and Strategy, which includes the development of ICT policies, and this will be completed during the 2025/26 financial year.*	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** *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:* • *Business Continuity Plan.* • *Record Keeping Disaster Management Plan.*	*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.* *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.*	In Progress	Chief Executive Officer

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		We also noted the following policies and procedures are largely undocumented or are outdated: • *Risk Management Procedures.* • *Risk Register*			
December 2025	11.1 AUDITORS' FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2025	Related Parties Declaration Form *We noted that the Shire has not obtained Related Party Declaration forms from Key Management Personnel and Councillors for the financial year ended 30 June 2025 as required by the Shire's Related Party Disclosures Policy.* *Related Party Declaration forms are key documents in the Shire's process of identification of related party transactions to comply with AASB 124 Related Parties.* *Without the signed declarations, management had to rely on prior year declarations and other enquiries to ensure that related party transactions disclosed in the financial report are complete and accurate.* *This finding was first reported in 2024.*	*Management is in the process of developing a new compliance calendar to be used as a tool to ensure that regulatory and operational requirements are met. The calendar is based on the Western Australian Local Government Association model, with additional tasks relating to financial management, including the requirement for Key Management Personnel and Councillors to complete annual Related Party Declaration forms each financial year.* *It is expected that the calendar will be finalised by the end of November 2025 and that the Chief Executive Officer's Office will review and update the calendar on a monthly basis.*	In Progress	Chief Executive Officer
December 2025	11.1 AUDITORS' FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2025	Lands Held for Resale *During our review of the financial statements, we noted that no management assessment or external valuation was performed on land held for resale for the year ended 30 June 2025.*	*Management is in the process of developing a new compliance calendar to be used as a tool to ensure that regulatory and operational requirements are met. The calendar is based on the Western Australian Local Government Association model, with additional tasks relating to financial management, including a requirement to review the fair value of land held for resale on an annual basis.* *It is expected that the calendar will be finalised by the end of November 2025 and that the Chief*	In Progress	Chief Executive Officer

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			Executive Officer's Office will review and update the calendar on a monthly basis.		
December 2025	11.1 AUDITORS' FINAL REPORT FOR THE YEAR ENDED 30 JUNE 2025	Excessive Annual Leave Balances *We noted that 6 employees have accrued annual leave balances in excess of 304 hours (2 years of annual leave entitlement) as at 30 June 25.*	*The Chief Executive Officer will develop an Employee Leave Policy for consideration at the December Ordinary Meeting of Council with the aim of reducing the number of staff with excessive leave over the next 18 months.*	In Progress	Chief Executive Officer

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