



AUDIT COMMITTEE MEETING MINUTES

22 APRIL 2025

TABLE OF CONTENTS

1 **DECLARATION OF OPENING.....2**

2 **ATTENDANCE.....2**

3 **CONFIRMATION OF PREVIOUS MINUTES.....2**

4 **ITEMS FOR AUDIT COMMITTEE REVIEW.....4**

AC 160 2023-24 ANNUAL FINANCIAL REPORT.....4

AC 161 AUDIT ENTRANCE MEETING WITH OAG AND RSM9

AC 162 PROGRESS REPORT ON AUDIT RECOMMENDATIONS – APRIL 202513

5 **GENERAL BUSINESS.....16**

6 **MEETING CLOSURE16**

CITY OF GREATER GERALDTON**AUDIT COMMITTEE MEETING
HELD ON TUESDAY 22 APRIL 2025 AT 3:30pm
IN THE GREENOUGH ROOM – CIVIC CENTRE****MINUTES****1 DECLARATION OF OPENING**

The meeting was declared open by Cr Colliver at 3:31pm

2 ATTENDANCE**Present:**

Cr Colliver
Cr Librizzi
Cr Denton

Officers:

R McKim, Chief Executive Officer
P Radalj, Director Corporate Services
N Jane, Chief Financial Officer
J Bianchi, Manager Corporate Compliance; Minute Secretary

By Invitation:

Mark Ambrose, Senior Director, Office of the Auditor General
Amit Kabra, Director, RSM Australia Pty Ltd
Jaques Coetzer, Senior Manager, RSM Australia Pty Ltd

Apologies:

Nil

Leave of Absence:

Mayor Clune

3 CONFIRMATION OF PREVIOUS MINUTES

Recommendation: That the minutes of the City of Greater Geraldton Audit Committee meeting held on 26 March 2025 as attached be accepted as a true and correct record of proceedings.

MOVED: Cr Librizzi SECONDED: Cr Denton

COMMITTEE DECISION

That the minutes of the City of Greater Geraldton Audit Committee held on 26 March 2025 as attached be accepted as a true and accurate record of proceedings.

CARRIED 3/0

Name	Vote (For or Against)
Cr Colliver	For
Cr Librizzi	For
Cr Denton	For

4 ITEMS FOR AUDIT COMMITTEE REVIEW

AC 160	2023-24 ANNUAL FINANCIAL REPORT
--------	---------------------------------

AGENDA REFERENCE:	D-25-044345
AUTHOR:	N Jane, Chief Financial Officer
EXECUTIVE:	P Radalj, Director Corporate Services
DATE OF REPORT:	11 April 2025
FILE REFERENCE:	GO/11/0020-002
ATTACHMENTS:	Yes (x4) 2 x Confidential
	A. 2023-24 Annual Financial Report
	B. Auditors Report 2023-24
	C. Confidential – Management Letter
	D. Confidential – Auditors Closing Report

EXECUTIVE SUMMARY:

The purpose of this report is for the Audit Committee to consider and accept the 2023-24 Annual Financial Report and Auditor's Report.

EXECUTIVE RECOMMENDATION:

That the Audit Committee by Simple Majority pursuant to section 7.1C of the *Local Government Act 1995* RESOLVES to:

1. RECEIVE the Annual Financial Report for the financial year ended 30 June 2024;
2. RECEIVE the Audit Report for the financial year ended 30 June 2024;
3. NOTE that the Auditor has provided an unqualified audit opinion for the Annual Financial Report year ended 30 June 2024;
4. RECOMMEND to Council the adoption of the audited Financial report for the year ended 30 June 2024;
5. NOTE the findings identified during the audit and REQUEST they be listed for review until completed.

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

Section 6.4(3) of the *Local Government Act 1995* requires a local government to complete its Annual Financial Report and submit the report to its auditors by 30 September in each financial year, or such extended time as the Minister allows. Council approval was sought for the City to make an application for extension of time because under section 2.7(1)(b) and (2)(a) the Council is responsible for the performance of the local government and overseeing the allocation of the local government's finances and resources. Council approval was provided at the Ordinary Meeting of Council on 24 September 2024 and Ministerial approval of an extension to 31 January 2025 was provided on 30 September 2024.

The 2023-24 Financial Report was prepared and submitted to the Office of the Auditor General on 31 January 2025 in line with the extension granted.

The final audit was conducted by RSM on behalf of the OAG. The auditors worked remotely for the majority of the audit and attended the City offices for one week from 10 to 14 February 2025. They performed testing on all areas of the accounts, with a focus on areas they consider to be of high risk.

On the 26 March 2025, the Audit Committee met with representatives from the Office of the Auditor General and contract auditor RSM Australia for the audit Exit Meeting. Draft reports were presented and discussed.

At the conclusion of the audit, the following final reports have been issued:

- Independent Auditor's Report
- Management Letter
- Auditors Closing Report

These reports along with the Audited Financial Report for the year ended 30 June 2024 are attached for the information of the Audit Committee.

COMMUNITY, ECONOMY, ENVIRONMENT AND LEADERSHIP ISSUES:

Community:

There are no adverse community impacts.

Economy:

There are no adverse economic impacts.

Environment:

There are no adverse environmental impacts.

Leadership:

The Audit Committee plays a key role in assisting a local government to fulfill its governance and oversight responsibilities in relation to financial reporting.

Disclosure of Interest:

No Officer involved in the preparation of this report has a declarable interest in this matter.

RELEVANT PRECEDENTS:

Item AC122 - 2021-22 Annual Financial Report (held on 13 December 2022).

Item AC135 – 2022-23 Annual Financial Report (held on 23 January 2024).

COMMUNITY/COUNCILLOR CONSULTATION:

No community consultation has been undertaken. The annual financial report and audit report are included in the City's Annual Report, which will be presented to Council for adoption, then released to the community as a public document. The annual report is subsequently presented to an annual meeting of electors and made available on the City website.

LEGISLATIVE/POLICY IMPLICATIONS:

Local Government Act 1995, section 1.4 Terms used:

auditor means —

- (a) *in relation to an audit, other than a performance audit —*
 - (i) *in relation to a local government that has an audit contract that is in force — a person for the time being appointed under Part 7 Division 2 to be the auditor of the local government; and*
 - (ii) *in relation to a local government that does not have an audit contract that is in force — the Auditor General;*
- and*
- (b) *in relation to a performance audit — the Auditor General;*

Local Government Act 1995, section 6.4 Financial report:

- (1) *A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.*
- (2) *The financial report is to —*
 - (a) *be prepared and presented in the manner and form prescribed; and*
 - (b) *contain the prescribed information.*
- (3) *By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —*
 - (a) *the accounts of the local government, balanced up to the last day of the preceding financial year; and*
 - (b) *the annual financial report of the local government for the preceding financial year.*

Local Government Act 1995, section 7.12AD Reporting on a financial audit:

- (1) *The auditor must prepare and sign a report on a financial audit.*
- (2) *The auditor must give the report to —*
 - (a) *the mayor, president or chairperson of the local government; and*
 - (b) *the CEO of the local government; and*
 - (c) *the Minister.*

Local Government (Audit) regulations 1996, section 16:**An audit committee has the following functions —**

- (a) *to guide and assist the local government in carrying out —*
 - (i) *its functions under Part 6 of the Act; and*
 - (ii) *its functions relating to other audits and other matters related to financial management;*
- (b) *to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;*
- (e) *to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;*

- (f) to oversee the implementation of any action that the local government —
- (i) is required to take by section 7.12A(3); and
- (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
- (g) to perform any other function conferred on the audit committee by these regulations or another written law.

FINANCIAL AND RESOURCE IMPLICATIONS:

There are no financial or resource implications.

INTEGRATED PLANNING LINKS:

Strategic Direction: Leadership	Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.
Outcome 4.2	Decision making is ethical, informed and inclusive.
Outcome 4.3	Accountable leadership supported by a skilled and professional workforce.
Outcome 4.4	Healthy financial sustainability that provides capacity to respond to change in economic conditions and community priorities.
Outcome 4.7	Council understands its roles and responsibilities and leads by example.

REGIONAL OUTCOMES:

There are no impacts to regional outcomes.

RISK MANAGEMENT:

Findings outlined in the management letter have been assigned a risk rating by the auditor. These ratings are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequences of adverse outcomes if action is not taken. Consideration is given 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.)

Management have provided responses to each of the findings.

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:

No alternative options were considered by City Officers.

MOVED: Cr Librizzi SECONDED: Cr Denton

COMMITTEE DECISION

1. **RECEIVE** the Annual Financial Report for the financial year ended 30 June 2024;
2. **RECEIVE** the Audit Report for the financial year ended 30 June 2024;

3. **NOTE** that the Auditor has provided an unqualified audit opinion for the Annual Financial Report year ended 30 June 2024;
4. **RECOMMEND** to Council the adoption of the audited Financial report for the year ended 30 June 2024;
5. **NOTE** the findings identified during the audit and **REQUEST** they be listed for review until completed.

CARRIED 3/0

Name	Vote (For or Against)
Cr Colliver	For
Cr Librizzi	For
Cr Denton	For

AC 161 AUDIT ENTRANCE MEETING WITH OAG AND RSM

AGENDA REFERENCE:	D-25-044340
AUTHOR:	N Jane, Chief Financial Officer
EXECUTIVE:	P Radalj, Director Corporate Services
DATE OF REPORT:	14 April 2025
FILE REFERENCE:	GO/11/0020
ATTACHMENTS:	Yes (x 1) Confidential
	Audit Planning Memorandum 2024-25

EXECUTIVE SUMMARY:

The purpose of this report is to enable an Audit Entrance Meeting to be conducted for the 2024-25 financial audit. It also provides an opportunity for the Office of the Auditor General (OAG) and contract auditor RSM Australia, to discuss the Audit Planning Memorandum, and an occasion to raise any concerns associated with the audit process.

EXECUTIVE RECOMMENDATION:

That the Audit Committee by Simple Majority pursuant to Section 7.1C of the *Local Government Act 1995* RESOLVES to:

1. RECEIVE the Audit Planning Memorandum for the year ending 30 June 2025; and
2. PROVIDE FEEDBACK on the Audit Planning Memorandum.

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

The Auditor General is responsible for the auditing of local governments within Western Australia. (Local Government (Audit) Regulations 1996). The Auditor General engaged RSM to conduct the financial audit for the City on their behalf, for the three years to 30 June 2023. The contract has been extended to include the 2023-24 and 2024-25 financial years.

The interim audit visit for the 2024-25 year is scheduled for May 2025, and prior to this an Entrance meeting is held to discuss the Audit Planning Memorandum (draft attached). This document provides detail of the proposed approach by RSM Australia in undertaking the financial audit.

COMMUNITY, ECONOMY, ENVIRONMENT AND LEADERSHIP ISSUES:**Community:**

There are no adverse community impacts.

Economy:

There are no adverse economic impacts.

Environment:

There are no adverse environmental impacts.

Leadership:

Holding an Entrance Meeting provides opportunity for the Audit Committee to undertake its functions including to discuss with the auditors their planning for the annual audit.

Disclosure of Interest:

No Officer involved in the preparation of this report has a declarable interest in this matter.

RELEVANT PRECEDENTS:

Each year an audit entrance and exit meeting is held with the Auditor General, the contract auditor and the Audit Committee. The previous entrance meeting was held on 23 April 2024 - AC144.

COMMUNITY/COUNCILLOR CONSULTATION:

There has been no community/councillor consultation.

LEGISLATIVE/POLICY IMPLICATIONS:

Local Government (Audit) Regulations 1996, section 16:

An audit committee has the following functions —

- (a) to guide and assist the local government in carrying out —*
 - (i) its functions under Part 6 of the Act; and*
 - (ii) its functions relating to other audits and other matters related to financial management;*
- (b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;*
- (c) to review a report given to it by the CEO under regulation 17(3) (the **CEO's report**) and is to —*
 - (i) report to the council the results of that review; and*
 - (ii) give a copy of the CEO's report to the council;*
- (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —*
 - (i) regulation 17(1); and*
 - (ii) the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;*
- (f) to oversee the implementation of any action that the local government —*
 - (i) is required to take by section 7.12A(3); and*
 - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and*
 - (iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and*
 - (iv) has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*

- (g) *to perform any other function conferred on the audit committee by these regulations or another written law.*

FINANCIAL AND RESOURCE IMPLICATIONS:

Provision is made in the annual budget to undertake the audit function.

INTEGRATED PLANNING LINKS:

Strategic Direction: Leadership	Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.
Outcome 4.2	Decision making is ethical, informed and inclusive.
Outcome 4.7	Council understands its roles and responsibilities and leads by example.

REGIONAL OUTCOMES:

There are no impacts to regional outcomes.

RISK MANAGEMENT:

A part of the Audit Committee function is to mitigate risks to Council facilitating the following:

- The credibility and objectivity of internal and external financial reporting
- Effective management of financial and other risks and the protection of Council assets
- Compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance
- The coordination of the internal audit function with the external audit; and the provision of an effective means of communication between the external auditor, internal auditor, the CEO and Council.

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:

No alternative options were considered.

The Deputy Mayor invited RSM and OAG representatives into the meeting to present the Audit Planning Memorandum for the year ending 30 June 2025.

Cr Librizzi asked why Management Override of Controls continues to be listed as a Key Area of Audit Focus with a significant risk despite the resources allocated to this in recent times. RSM advised that Management Override of Controls are considered every year as it is considered a default area of risk for all organisations.

MOVED: Cr Librizzi SECONDED: Cr Denton

COMMITTEE DECISION

- 1. RECEIVE the Audit Planning Memorandum for the year ending 30 June 2025; and**

2. PROVIDE FEEDBACK on the Audit Planning Memorandum.**CARRIED 3/0**

Name	Vote (For or Against)
Cr Colliver	For
Cr Librizzi	For
Cr Denton	For

AC 162	PROGRESS REPORT ON AUDIT RECOMMENDATIONS – APRIL 2025
--------	---

AGENDA REFERENCE:	D-25-044343
AUTHOR:	N Jane, Chief Financial Officer
EXECUTIVE:	P Radalj, Director Corporate Services
DATE OF REPORT:	11 April 2025
FILE REFERENCE:	GO/11/0020-002
ATTACHMENTS:	Yes x 1 Confidential
	A. Progress Report on Audit Recommendations

EXECUTIVE SUMMARY:

This report is to provide the audit committee with an update on the progress of actions taken by management to implement audit recommendations.

EXECUTIVE RECOMMENDATION:

That the Audit Committee by Simple Majority pursuant to Section 7.1C of the Local Government Act 1995 RESOLVES to:

1. RECEIVE the Progress Reports on Management Actions from Financial, Information System, and internal audits.

PROPONENT:

The proponent is the City of Greater Geraldton.

BACKGROUND:

When receiving audit reports, the Audit Committee requested progress updates on implementation of the proposed management actions. The progress reports provided address audits completed up to March 2025. Items previously reported as completed have been removed and updates included on all remaining actions.

The report provides updates on actions from:

- 2023-24 Information Systems Audit
- 2024 Financial Management Systems Review
- 2024 Audit Regulation 17 Review
- 2020 Audit Regulation 17 Review
- 2024 Compliance Obligations Audit
- 2023 Fraud and Corruption Control Audit

A summary of action status for this report:

- Completed – 3
- In Progress - 25

COMMUNITY, ECONOMY, ENVIRONMENT AND LEADERSHIP ISSUES:**Community:**

There are no adverse community impacts.

Economy:

There are no adverse economic impacts.

Environment:

There are no adverse environmental impacts.

Leadership:

Monitoring the actions resulting from audits assists the Audit Committee to fulfill its governance and oversight responsibilities. The report enables the Audit Committee to monitor the timeliness of agreed actions and understand the reasons for any delay.

Disclosure of Interest:

No Officer involved in the preparation of this report has a declarable interest in this matter.

RELEVANT PRECEDENTS:

A progress report on audit recommendations is provided to the committee at each meeting.

- AC153 – Progress Report on Audit Recommendations – January 2025
– 18 February 2025

COMMUNITY/COUNCILLOR CONSULTATION:

There has been no community/councillor consultation.

LEGISLATIVE/POLICY IMPLICATIONS:

Local Government Act 1995, section 1.4 – auditor means Auditor General

Local Government Act 1995, section 6.4 – requirement to prepare an annual financial report

Local Government Act 1995, section 7.12AD – auditor to prepare report on financial audit

Local Government (Audit) Regulations 1996, section 16 – audit committee functions

Local Government (Audit) Regulations 1996, section 17 – review of systems and procedures in relation to risk management, internal control and legislative compliance, conducted every 3 financial years

Local Government (Financial Management) Regulations 1996, section 5 – review of systems and procedures, conducted every 3 financial years

FINANCIAL AND RESOURCE IMPLICATIONS:

The annual budget makes provision for the conducting of required audit activities.

INTEGRATED PLANNING LINKS:

Strategic Direction: Leadership	Aspiration: A strong local democracy with an engaged community, effective partnerships, visionary leadership and well informed decision-making.
Outcome 4.2	Decision making is ethical, informed and inclusive

Outcome 4.7	Council understands its roles and responsibilities and leads by example
Outcome 4.8	Deliver secured technology that supports sustainability, the environment, service delivery and the community

REGIONAL OUTCOMES:

There are no impacts to regional outcomes.

RISK MANAGEMENT:

Findings outlined in each audit report are assigned a risk rating. These ratings 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. Preparation of a schedule of management actions and reporting progress to the Audit Committee ensures findings are appropriately addressed.

ALTERNATIVE OPTIONS CONSIDERED BY CITY OFFICERS:

No alternatives have been considered.

MOVED: Cr Denton SECONDED: Cr Librizzi

COMMITTEE DECISION

- 1. RECEIVE the Progress Reports on Management Actions from Financial, Information System, and internal audits.**

CARRIED 3/0

Name	Vote (For or Against)
Cr Colliver	For
Cr Librizzi	For
Cr Denton	For

5 GENERAL BUSINESS

There were no items of General Business.

6 MEETING CLOSURE

There being no further business, the meeting was declared closed at 4:03pm.