



AGENDA

28th of FEBRUARY 2024

AUDIT COMMITTEE MEETING

To be held at the Shires Administration Building situated at Gascoyne Junction
commencing at 10:30am

DISCLAIMER

Disclaimer

The advice and information contained herein is given by and to the Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to the Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

Please note this agenda contains recommendations which have not yet been adopted by Council.

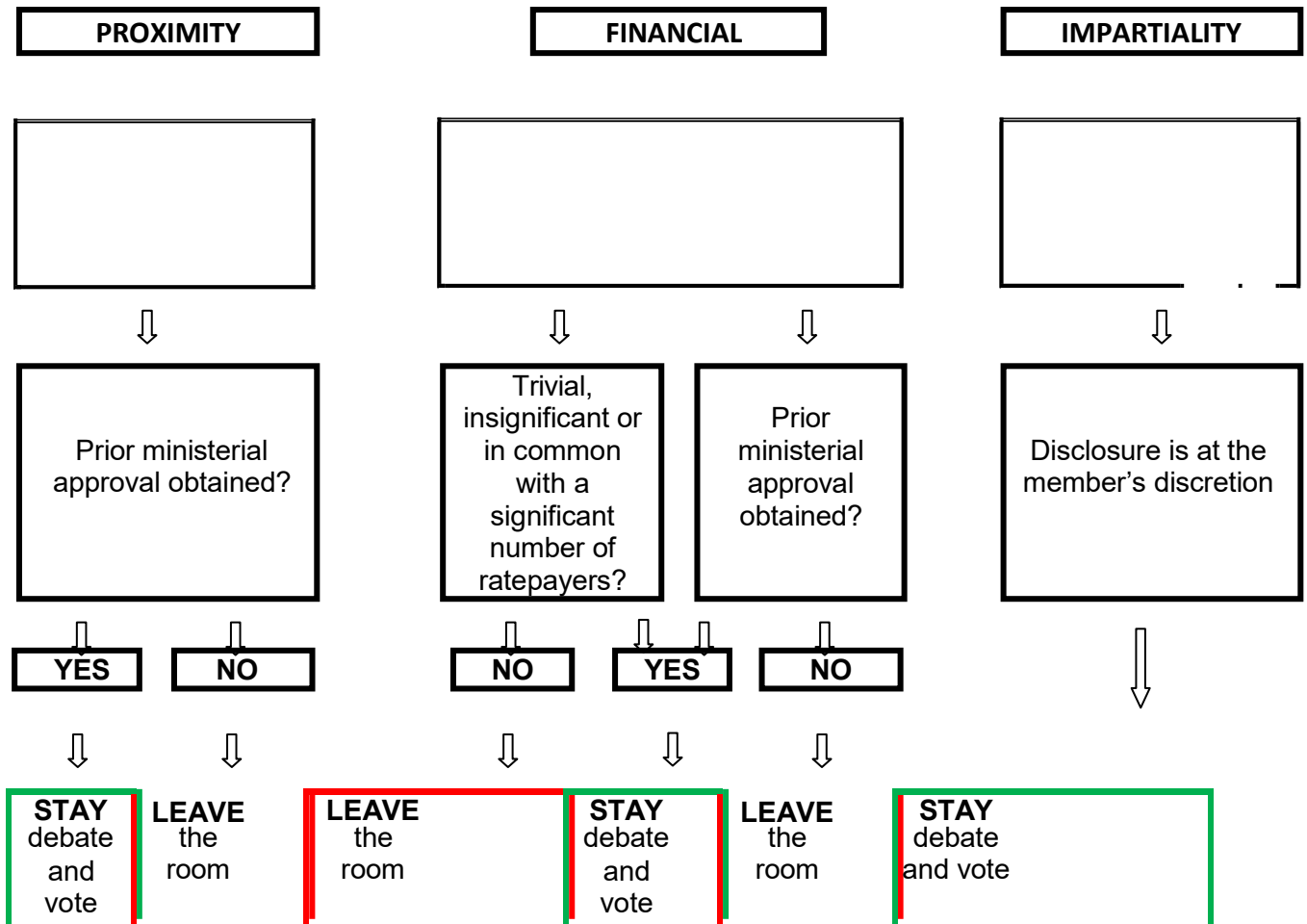
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John McCleary, JP
CHIEF EXECUTIVE OFFICER

* Declaring an Interest



Local Government Act 1995 - Extract

5.65 - Members' interests in matters to be discussed at meetings to be disclosed.

(1) A member who has an interest in any matter to be discussed at a council or committee meeting that will be attended by the member must disclose the nature of the interest:

(a) in a written notice given to the CEO before the meeting; or (b) at the meeting immediately before the matter is discussed. (Penalties apply).

(2) It is a defense to a prosecution under this section if the member proves that he or she did not know:

(a) that he or she had an interest in the matter; or (b) that the matter in which he or she had an interest would be discussed at the meeting.

(3) This section does not apply to a person who is a member of a committee referred to in section 5.9(2)(f).

5.70 - Employees to disclose interests relating to advice or reports.

(1) In this section: 'employee' includes a person who, under a contract for services with the local government, provides advice or a report on a matter.

(2) An employee who has an interest in any matter in respect of which the employee is providing advice or a report directly to the council or a committee must disclose the nature of the interest when giving the advice or report.

(3) An employee who discloses an interest under this section must, if required to do so by the council or committee, as the case may be, disclose the extent of the interest. (Penalties apply).

5.71 - Employees to disclose interests relating to delegated functions.

If, under Division 4, an employee has been delegated a power or duty relating to a matter and the employee has an interest in the matter, the employee must not exercise the power or discharge the duty and:

(a) in the case of the CEO, must disclose to the mayor or president the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter; and (b) in the case of any other employee, must disclose to the CEO the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter. (Penalties apply).

'Local Government (Administration) Regulations 1996 - Extract

In this clause and in accordance with Regulation 34C of the Local Government (Administration) Regulations 1996:

"Interest" means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.



SHIRE OF UPPER GASCOYNE
AGENDA FOR THE AUDIT MEETING OF COUNCIL TO BE HELD AT GASCOYNE JUNCTION
SHIRE OFFICES ON WEDNESDAY THE 28TH OF FEBRUARY 2024 AT 10:30AM

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SHIRE OF UPPER GASCOYNE
AGENDA FOR THE AUDIT MEETING OF COUNCIL TO BE HELD AT GASCOYNE JUNCTION SHIRE
OFFICES ON WEDNESDAY THE 28th OF FEBRUARY 2024 AT 10:30AM

1. DECLARATION OF OPENING / ANNOUNCEMENTS OF VISITORS

The President welcomed those present and declared the meeting open at am

2. APOLOGIES AND APPROVED LEAVE OF ABSENCE

2.1 Councillors

Cr B. Walker	Councillor / Chairperson
Cr J. Caunt	Councillor
Cr R. Hoseason-Smith	Councillor

Staff

John McCleary JP	Chief Executive Officer
Andrea Pears	Manager of Finance and Corporate Services
Cherie Walker	Senior Corporate Services Officer

Visitors (attending via Teams)

Xuan Shan Ong	Assistant Director Financial Audit, Office of the Auditor General
Conley Manifis	Audit Director, William Buck
Kuan Yin Lau	Manager, William Buck
Rebekah Bissett	Accountant, William Buck
Travis Bate	Principal Accountant, RSM Australia Pty Ltd

2.2 Absentees

2.3 Leave of Absence previously approved

Cr A. McKeough

3. APPLICATION FOR LEAVE OF ABSENCE

4. PUBLIC QUESTION TIME

4.1 Questions on Notice

Nil

4.2 Questions without Notice

5. DISCLOSURE OF INTEREST

Nil

6. PETITIONS/DEPUTATIONS/PRESENTATIONS

Nil

7. **ANNOUNCEMENTS BY THE PERSON PRESCIDING WITHOUT DISCUSSION**

Nil

8. **MATTERS FOR WHICH THE MEETING MAY GO BEHIND CLOSED DOORS**

Nil

9. **CONFIRMATION OF MINUTES FROM PREVIOUS MEETINGS**

Committee Resolution No: AC 01022024

MOVED:

SECONDED:

That the minutes from previous Audit Committee Meeting held on 22nd of November 2023 are a true and correct record.

FOR: CR

AGAINST: CR

F/A: 0/0

10.1 AUDIT ENTRANCE MEETING FOR 2023/2024

Applicant:	Shire of Upper Gascoyne
Disclosure of Interest:	Nil
Author:	Andrea Pears – Manager, Finance and Corporate Services
Date:	22 nd February 2024
Matters for Consideration:	<p>The Audit Committee is to meet with Xuan Shan Ong, the Assistant Director of Financial Audits from the Office of the Auditor General (OAG) and with the Shire’s auditors from William Buck, to discuss this year’s 2023/24 audit scope and procedures under the Audit Strategy Memorandum for 2023/24.</p> <p>The OAG and the auditors from William Buck have provided an agenda for today’s discussions and will present this to the members of the Audit Committee along with their Audit Strategy Memorandum. Please refer to Appendix 1 for a copy of the agenda and the Audit Strategy.</p> <p>Xuan Shan Ong from the OAG, Conley Manifis, Kuan Yin Lau and Rebekah Bissett from William Buck and Travis Bate from RSM (Shire’s Accountant) will be attending the meeting via Teams link up.</p>
Background:	An Entrance Meeting is a requirement of the audit process and is held between the Auditors, the Shire’s Audit Committee and key Shire staff.
Comments:	The Entrance Meeting allows the auditors to present their Audit Strategy to the committee, and highlight the key objectives, deliverables and scope of works outlined within the agreement.

	This also provides an opportunity for the committee to ask the auditors any questions regarding the audit strategy.
Statutory Environment:	Local Government (Audit) Regulations 1996, Regulation 7.
Policy Implications:	Nil
Financial Implications:	Nil
Strategic Implications:	Nil
Risk:	

Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk	Risk Action Plan (Controls or Treatment proposed)
Not meeting Statutory Compliance	Rare (1)	Moderate (3)	Low (1-4)	Failure to meet Statutory, Regulatory or Compliance Requirements	Accept Officer Recommendation

Consultation:	Discussions between the Manager, Finance & Corporate Services and Kuan Yin Lau, Manager at William Buck to confirm dates for the Entrance Meeting, the Interim and End of Financial Year Audits.
Voting requirement:	Not Applicable – Receiving Information Only
Officer’s Recommendation:	That the Audit Committee receive the Audit Strategy report presented by the OAG and William Buck.

Committee Resolution No: AC 02022024

MOVED:		SECONDED:	
FOR:	AGAINST:		
F/A: 0/0			

10.2 2023 COMPLIANCE AUDIT RETURN

Applicant:	Shire of Upper Gascoyne
Disclosure of Interest:	None
Author:	John McCleary – Chief Executive Officer
Date:	
Matters for Consideration:	To receive the report of the Audit Committee in regard to the review of the Compliance Audit return for 2023 and make recommendation for Council to adopt the return as detailed in Appendix 2 .
Background:	<p>Prior to the ordinary meeting of Council, the compliance audit return prepared by the CEO will be reviewed by the Audit Committee in accordance with regulation 14 of the Local Government (Audit) Regulations. The regulations provide that after the audit committee has reviewed the return, it is to report to Council the results of that review. Once the audit committee has reported to Council, the compliance return is to be presented to Council for adoption of the return.</p> <p>Once the return is adopted by Council, a certified copy of the return together with a copy of the relevant minutes referred to in the regulations and any additional information will be submitted to the Executive Director of the Department of Local Government by March 31st.</p>
Comments:	No compliance issues have been noted during the 2023 calendar year.
Statutory Environment:	<p>Local Government (Audit) Regulations 1996 Reg14. Compliance Audits by local governments</p> <p>(1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.</p> <p>(2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.</p> <p>(3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.</p> <p>(3) After the audit committee has reported to the council under sub regulation {3A}, the compliance audit return is to be -</p> <p>(a) presented to the council at a meeting of the council; and</p> <p>(b) adopted by the council; and</p> <p>(c) recorded in the minutes of the meeting at which it is adopted</p>
Policy Implications:	Nil

Financial Implications:		Nil			
Strategic Implications:		<p>Civic Leadership –</p> <p>To provide Good Governance to the Upper Gascoyne Shire area through:</p> <ul style="list-style-type: none"> • Detailed and professional administration; • High levels of accountability; • Compliance with statutory requirements; • High-quality forward planning, particularly for assets and finances; • Openness and transparency and enhanced consultations and public participation; <p>Provision of quality customer services, good financial management and pursuit of excellence in professional administration and communication</p>			
Risk:					
Risk	Risk Likelihood (based on history and with existing controls)	Risk Impact / Consequence	Risk Rating (Prior to Treatment or Control)	Principal Risk	Risk Action Plan (Controls or Treatment proposed)
Not meeting Statutory Compliance	Rare (1)	Moderate (3)	Low (1-4)	Failure to meet Statutory, Regulatory or Compliance Requirements	Accept Officer Recommendation
Consultation:		Nil			
Voting requirement:		Simple Majority			
Officer's Recommendation:		<p><i>That the Audit Committee –</i></p> <p><i>Pursuant to Regulation 14 of the Local Government (Audit) Regulations 1996</i></p> <ol style="list-style-type: none"> 1. <i>Receives the Compliance Audit Return for 2023 as contained in Appendix 2.</i> 2. <i>Report to Council the results of the Compliance Audit review and recommends that Council adopt the 2023 Compliance Audit Return.</i> 			
Committee Resolution No: AC 03022024					

MOVED:		SECONED:	
FOR:	AGAINST:		
F/A: 0/0			

10. MEETING CLOSURE

The Shire President closed the meeting at ____pm.

APPENDIX 1

(Entrance Meeting Agenda & Audit Strategy Memorandum)



Entrance Meeting

ANNUAL FINANCIAL AUDIT OF SHIRE OF UPPER GASCOYNE FOR THE YEAR ENDED 30 JUNE 2024

Shire of Upper Gascoyne

Cr Blanche Walker	Councillor / Chairperson
Cr Jim Caunt	Councillor
John McCleary	Chief Executive Officer
Andrea Pears	Manager, Finance & Corporate Services
Cherie Walker	Senior Corporate Services Officer, Administration
Travis Bates	Financial Reporting Consultant, RSM Australia

Office of the Auditor General

Xuan Shan Ong	Assistant Director, Financial Audit
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William Buck

Conley Manifis	Director
Kuan Yin Lau	Manager
Rebekah Bissett	Accountant

Interview Date & Time:	28 February 2024, 10.30 am
Location:	via teleconference

Agenda

1. Introduction
2. Audit Plan
3. Closing Comments



William Buck

ACCOUNTANTS & ADVISORS

OAG

Office of the Auditor General
Serving the Public Interest

Shire of Upper Gascoyne

Audit Strategy Memorandum
Year Ending 30 June 2024

williambuck.com

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Introduction

This Audit Strategy Memorandum (“ASM”) sets out our approach to the audit of the Shire of Upper Gascoyne (‘the Shire’). The engagement covers the financial year ending 30 June 2024.

William Buck conducts an independent audit in order to enable the Auditor General to express an opinion regarding the financial report. Our audit is conducted in accordance with Australian Auditing Standards in order to provide reasonable assurance as to whether the financial report is free of material misstatement. The nature of an audit is influenced by factors such as the use of professional judgement, selective testing, the inherent limitations of internal controls and the availability of persuasive rather than conclusive evidence. Therefore, an audit cannot guarantee that all material misstatements will be detected.

We perform procedures under the Auditor General Act 2006 to assess whether in all material aspects all procedures are performed in accordance with the *Local Government Act 1995*, *Local Government (Financial Management) Regulation 1996* and other mandatory financial reporting requirements in Australia, a view which is consistent with our understanding of the Shire’s financial position, and of its performance as represented by the results of its operations and cash flows.

Our audit approach is designed to specifically focus audit attention on the key areas of risks faced by the Shire in reporting on finances and performance. We form our recommended audit opinion on the basis of these procedures, which include:

- Examining, on a test basis, information to provide evidence supporting the amounts and disclosures in the financial report, and
- Assessing the appropriateness of the accounting policies and disclosures used and the reasonableness of significant accounting estimates.

We will carry out such work as is necessary to form an opinion as to whether the accounts of the Shire are properly kept and the annual financial report is prepared in accordance with these financial records.

Our approach focuses on the key risk areas where the potential for misstatement of account balances is considered greatest.

This ASM is an integral part of the audit planning process. It is a preliminary audit plan, which will be updated with any issues identified during the course of the audit.

The Shire prepares general purpose financial statements in accordance with the Australian Accounting Standards and the financial reporting provisions of the *Local Government Act 1995* and the *Local Government (Financial Management) Regulation 1996*.

Audit Approach

Our Audit approach focuses on the following:

- key risk areas where the potential for misstatement of account balances is considered greatest;
- key strategic business risks and related financial statement risks that are highly dependent on IT systems and environment;
- the use of IT within the Shire which will affect the way that control activities are implemented;

- whether the Shire’s controls over the IT systems are effective and that they maintain the integrity of information and the security of the data;
- nature, extent and scope of the internal audit work that has been performed, the related findings and its relevance to the external audit overall audit strategy and plan;
- management’s assessment of the risk that the financial report may be materially misstated due to fraud, including the nature, extent and frequency of such assessments;
- management’s processes for identifying and responding to the risks of fraud and the internal control that management has established to mitigate these risks;
- effectiveness of relevant internal controls on all business cycles including expenses, the different revenue streams, and payroll which we will test annually via controls and substantive procedures. The different revenue streams which we will be testing include rates, fees, grants, subsidies and contributions;
- effective two-way communication between the auditor and those charged with governance with timely observations arising from the interim and final audit that are significant and relevant presented in the Management Letter;
- our views about significant qualitative aspects of the Shire’s accounting practices, including accounting policies, accounting estimates and financial report disclosures listing presented in the Management Letter; and
- the determination of materiality affected by our perception of the financial information needs of the users of the financial report. As we develop our audit strategy and audit plan, we consider materiality at least at two levels: at the overall level, as it relates to the financial report taken as a whole – Planning Materiality (PM); and at the performance level (PLM).

In accordance with our approach, the phases of our audit will be as follows:

- Preliminary planning:
 - Update knowledge of the Shire’s business;
 - Update understanding of the Shire’s accounting process;
 - Perform preliminary analytical review procedures; and
 - Assess the effectiveness of the control environment.
- Risk assessment process;
- Documentation and communication of audit plan;
- Evaluation and testing of internal controls (as appropriate);
- Execution of substantive auditing procedures;
- Evaluation of audit results, potential errors and resolution of audit issues;
- Audit conclusions;
- Financial statements review; and
- Subsequent events review.

Audit Team

Audit Director	- Conley Manifis
Audit Manager	- Kuan Yin Lau
Auditor-in-charge	- Rebekah Bissett
OAG Representative	- Xuan Shan Ong

Preliminary identification of significant audit and accounting focus areas

Audit and accounting areas of focus are as follows:

1. Revenue Recognition

The Shire's main source of revenue are rates and fees and charges which mainly include transport services. The Shire also receives significant grants, subsidies and contributions.

The completeness, existence and accuracy of revenue are identified as a risk.

We will perform the following relating to the Shire's revenue process:

- perform walkthroughs on the revenue process;
- test of internal controls relating to the revenue process;
- perform substantive analytical review of the revenue process;
- perform cut-off testing by evaluating revenue transactions either side of the balance sheet date as well as credit notes issued after year end to ensure revenue is recognised in the appropriate accounting period; and
- review management's revenue recognition policy and determine whether the policy is in accordance with AASB 15 *Revenue from Contracts with Customers* and AASB 1058 *Income for Not for Profit Entities*. We will ensure revenue is recognised in accordance with the requirements of the Australian accounting standards.

2. Employee expenses and provisions

Employee costs is one of the major expenses of the Shire. Employee costs comprises of wages and salaries and employee on-costs.

We will also:

- document the payroll process and related controls and perform walkthroughs to confirm our understanding;
- test of internal controls relating to payroll and employee related liabilities; and
- perform substantive analytical review of employee costs and related liabilities.

For annual leave and long service leave provisions which are derived from accounting estimates, we will review the method and underlying data that management uses when determining critical accounting estimates. This will include considering the reasonableness of assumptions and corroborating representations.

3. Materials and contracts

Another major expense of the Shire are materials and contracts.

We will document and assess controls relating to the materials and contracts process.

We will also:

- perform walkthroughs on the materials and contracts expenditure process;
- test of internal controls relating to materials and contracts expenditure with regard to areas such as tendering, supplier's selection process (including checking to completed verbal quotation forms where necessary), approval and contracting;
- perform substantive analytical review of materials and contracts expenditure; and
- obtain the current policies and procedures implemented on the procurement process and ensure that they are reviewed on a regular basis and that they are aligned with the Local Government Act and Regulations.

4. Cash and cash equivalents

The Shire has significant cash and cash equivalent balance represented mainly by bank balances, restricted and unrestricted cash and term deposits. There is a potential risk of misappropriation, unauthorised use and incorrect classification in the financial report in accordance with the relevant accounting standards.

We will:

- obtain and review bank reconciliations of the municipal, trust accounts and term deposit statements as at reporting date and ensure evidence of the preparer and reviewer are recorded;
- obtain a bank confirmation and investigate any significant exceptions;
- check that restricted cash and cash equivalents have been used for their intended purposes;
- review the split between unrestricted and restricted cash and ascertain that it is in accordance with the imposed regulations and legislation;
- review the process around approvals of setting up term deposits and renewals; and
- review terms and conditions to verify if term deposits have been correctly classified in the financial report in accordance with the Shire's applicable accounting policies and the relevant accounting standards.

5. Recoverability of debtors

Collectability of receivables is reviewed on an ongoing basis and any receivables identified as uncollectible are written off against the allowance account, when objective evidence that the Shire will not be able to collect its debts has been established. Receivables are normally settled within 30 days.

We will:

- review the Shire's ongoing assess of collectability of receivables;
- verify after-date receipts to assess whether receivables are recoverable in accordance with the Shire's accounting policy; and
- assess any potential provision for expected credit loss.

6. Property, Plant and equipment and Infrastructure

The Shire owns significant amounts of property plant and equipment and infrastructure. Impairment, accuracy of the depreciation charge and appropriateness of asset capitalisation are identified as risks.

We will review the asset capitalisation policy and its implementation to ensure that it is in accordance with *AASB116 Property, Plant and Equipment*, and Regulation 17A(5) of the *Local Government (Financial Management) Regulations 1996*.

We will also:

- obtain the external valuation report and review the main assumptions, valuation techniques and unobservable inputs used (if any). Note that there were changes in the *Local Government Regulations Amendment Regulations (No. 3) 2023* in relation to the fair value of the assets which came into effect on 19 October 2023;
- recalculate depreciation and review the reasonableness of the assets useful life;
- verify significant additions and disposals;
- evaluate management's assessment of impairment; and
- consider the appropriateness of the accounting treatment of costs incurred as either maintenance or capitalised as asset enhancements.

7. Disclosure of Related Party Transactions

The Shire has transactions with related parties which are on normal commercial terms and conditions.

There is a risk that related party transactions and balances are not appropriately disclosed in the financial report in accordance with the Shire's applicable accounting policies and the relevant accounting standards.

We will address the risk of material misstatements of related party transactions and balances in the financial report as follows:

- review and determine whether the Shire's accounting policy is in line with *AASB 124 Related Party Disclosures*;
- make enquiries to understand the process for identification of related parties, review the register of related party transactions, and assess whether the disclosures made in the notes to the annual financial report are appropriate; and
- review the signed declarations from Key Management Personnel and ensure appropriate disclosures (if any) have been included in the notes to the annual financial report.

Amendments / revisions to Australian Accounting Standards (AASB) and Local Government legislation

Australian Accounting Standards

There were no material new and revised Australian accounting requirements that apply mandatorily for the first time to annual reporting periods ending 30 June 2024.

The following new accounting standards will apply for future years:

- *AASB 2020-1 Amendments to Australian Accounting Standards – Classification of Liabilities as Current or Non-current*, effective for financials beginning on or after 1 January 2024;

- AASB 2022-5 *Amendments to Australian Accounting Standards – Lease Liability in a Sales and Leaseback*, effective for financials beginning on or after 1 January 2024;
- AASB 2022-6 *Amendments to Australian Accounting Standards – Non-current Liabilities with Covenants* effective for financials beginning on or after 1 January 2024; and
- AASB 2023-1 *Amendments to Australian Accounting Standards – Supplier Finance Arrangements*.

Management has assessed the new Australian accounting requirements for future years and have been considered to have little to no impact on the Shire's financial statements.

Internal Audit

We seek to rely on internal audit work to reduce our own audit work wherever possible. This avoids duplication of audit effort and the associated workload on your operational and administrative staff.

The Shire have / will be conducting the following internal audits:

- Regulation 17; and
- Financial management services review.

Management Representation Letter

The above audit procedures assume that management expects to be in a position to sign a management representation letter. The proposed letter for this purpose is similar to what was signed in the prior year. This letter should be reviewed and tailored to meet your Shire's particular circumstances and be signed and dated as close as practicable to the date of the proposed audit opinion. Ordinarily, this would be no longer than five days prior to the issue of the opinion.

We will also be relying on the Chief Executive Officer (CEO) signing the financial statements as evidence that they confirm:

- They have fulfilled their responsibility for the preparation of the annual financial report in accordance with the *Local Government Act 1995*, *Local Government (Financial Management) Regulation 1996* and Australian Accounting Standards;
- They provided us with access to all relevant information necessary or requested for the purpose of the audit; and
- All transactions have been recorded and are reflected in the financial report.

Related Entities

The Shire is required to advise us in writing details of all related entities that are in existence at reporting date.

Section 7.12AL of the *Local Government Act 1995* applies section 17 of the *Auditor General Act 2006* to a local government. Section 17 requires a local government to advise the Auditor General in writing of details of all related parties and entities that are in existence.

Reporting Protocols

Significant issues identified during the course of the audit will be discussed with relevant staff and management as soon as possible after being identified. Draft management letters will be provided to your

CEO for coordination of comments from appropriate members of your management. We request that these be returned, preferably within 10 working days.

At the conclusion of the audit, the abovementioned management letter will accompany the auditor’s report and the audited annual financial report forwarded to the President, the CEO and the Minister for Local Government. The management letter is intended to communicate issues arising from the audit that may impact on internal control, compliance, and financial reporting. Where considered appropriate, and to ensure timely reporting of audit findings and action by management, interim management letters may be issued to the CEO.

On conclusion of the audit, we propose to discuss the audit outcomes with the audit committee, CEO and Councillors.

Thereafter, as required by section 7.12AD(2) of the *Local Government Act*, we will give our auditor’s report to the CEO, the President and Minister. We will also give them any management letter issues, including interim management letters.

Specific matters resulting from issues identified during the audit may be reported in an Auditor General’s Report to Parliament. Should this occur, you will be consulted in advance to assure the context and facts of the issue are adequately represented.

Timing of Events

Events

Timing

Entrance Meeting	28 February 2024
Interim / Planning	15 April 2024
Information per high level information request list to be provided by the Shire (Finals)	27 September 2024
First Draft of the Financial Statement	30 September 2024
Final Audit Visit commencement – provided that all information, including supporting documents has been duly prepared and reconciled.	21 October 2024
Acquittal (LRCI and Road to Recovery) commencement – provided that information has been provided (to be issued directly by William Buck)	2 September 2024
Reporting to OAG:	
- File Review and any final management letter issues	11 November 2024
- Exit Meeting	TBC
- Council meeting for the tabling of the financial report	TBC
- Issue of Opinion, Management Letter and Other Reporting Documents, including Acquittals (LRCI and Road to Recovery)	TBC

Shire of Upper Gascoyne's responsibilities

The Shire will be responsible for the following items:

- preparation of the schedules required for the audit as advised and requested by the auditors; and
- preparation of good quality financial statements and notes to the financial statements. The schedules for the notes to the financial statements must be in the form and content as prescribed in the statutory financial statements.

Other Audit Activities

The OAG has recently completed or undertaking the following audits relevant to local and state government. Through these audits, OAG aims to identify good practice and opportunities for improvement. You may therefore wish to review these reports as they may have relevance to your local government. They are available at www.audit.wa.gov.au.

- Financial Audit Results – State Government 2022-23 (December 2023);
- Implementation of the Essential Eight Cyber Security Controls (December 2023);
- Transparency Report: Major Projects 2023 (October 2023);
- Staff Exit Controls for Government Trading Enterprises (September 2023); and
- Financial Audit Results – Local Government 2021-22 (August 2023).

APPENDIX 2

(Compliance Audit Return CAR)



Upper Gascoyne – Compliance Audit Return

Commercial Enterprises by Local Governments				
No	Reference	Question	Response	Comments
1	s3.59(2)(a) F&G Regs 7,9,10	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2023?	N/A	
2	s3.59(2)(b) F&G Regs 7,8A, 8, 10	Has the local government prepared a business plan for each major land transaction that was not exempt in 2023?	N/A	
3	s3.59(2)(c) F&G Regs 7,8A, 8,10	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2023?	N/A	
4	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2023?	N/A	
5	s3.59(5)	During 2022, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A	

Delegation of Power/Duty				
No	Reference	Question	Response	Comments
1	s5.16 (1)	Were all delegations to committees resolved by absolute majority?	N/A	No committees have a delegated authority
2	s5.16 (2)	Were all delegations to committees in writing?	N/A	
3	s5.17	Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995?	N/A	
4	s5.18	Were all delegations to committees recorded in a register of delegations?	N/A	
5	s5.18	Has council reviewed delegations to its committees in the 2022/2023 financial year?	N/A	
6	s5.42(1) & s5.43 Admin Reg 18G	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995?	Yes	



7	s5.42(1)	Were all delegations to the CEO resolved by an absolute majority?	Yes	
8	s5.42(2)	Were all delegations to the CEO in writing?	Yes	
9	s5.44(2)	Were all delegations by the CEO to any employee in writing?	Yes	
10	s5.16(3)(b) & s5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority?	N/A	
11	s5.46(1)	Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?	Yes	
12	s5.46(2)	Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2022/2023 financial year?	Yes	The review was undertaken by Council at the OMC held on the 21st of September 2022
13	s5.46(3) Admin Reg 19	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19?	Yes	

Disclosure of Interest				
No	Reference	Question	Response	Comments
1	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes	
2	s5.68(2) & s5.69(5) Admin Reg 21A	Were all decisions regarding participation approval, including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting?	Yes	
3	s5.73	Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made?	Yes	
4	s5.75 Admin Reg 22, Form 2	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes	
5	s5.76 Admin Reg 23, Form 3	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2022?	Yes	
6	s5.77	On receipt of a primary or annual return, did the CEO, or the Mayor/President, give written acknowledgment of having received the	Yes	



		return?		
7	s5.88(1) & (2)(a)	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995?	Yes	
8	s5.88(1) & (2)(b) Admin Reg 28	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28?	Yes	
9	s5.88(3)	When a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person?	Yes	
10	s5.88(4)	Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes	
11	s5.89A(1), (2) & (3) Admin Reg 28A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A?	Yes	
12	s5.89A(5) & (5A)	Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes	
13	s5.89A(6)	When people cease to be a person who is required to make a disclosure under section 5.87A or 5.87B of the Local Government Act 1995, did the CEO remove from the register all records relating to those people?	Yes	
14	s5.89A(7)	Have copies of all records removed from the register under section 5.89A(6) of the Local Government Act 1995 been kept for a period of at least five years after the person ceases to be a person required to make a disclosure?	Yes	
15	s5.70(2) & (3)	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Yes	
16	s5.71A & s5.71B(5)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the	N/A	



		interest disclosed and any other information required by the Minister for the purposes of the application?		
17	s5.71B(6) & s5.71B(7)	Was any decision made by the Minister under section 5.71B(6) of the Local Government Act 1995, recorded in the minutes of the council meeting at which the decision was considered?	N/A	
18	s5.104(1)	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members candidates that incorporates the model code of conduct?	Yes	
19	s5.104(3) & (4)	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4) of the Local Government Act 1995?	No	
20	s5.104(7)	Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website?	Yes	
21	s5.51A(1) & (3)	Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government? If yes, has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?	Yes	

Disposal of Property				
No	Reference	Question	Response	Comments
1	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)?	Yes	
2	s3.58(4)	Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4), in the required local public notice for each disposal of property?	Yes	



Elections				
No	Reference	Question	Response	Comments
1	Elect Regs 30G(1) & (2)	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997?	Yes	
2	Elect Regs 30G(3) & (4)	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997?	N/A	No gifts were disclosed during the period.
3	Elect Regs 30G(5) & (6)	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997?	Yes	

Finance				
No	Reference	Question	Response	Comments
1	s7.1A	Has the local government established an audit committee and appointed members by absolute majority in accordance with section 7.1A of the Local Government Act 1995?	Yes	
2	s7.1B	Where the council delegated to its audit committee any powers or duties under Part 7 of the Local Government Act 1995, did it do so by absolute majority?	N/A	
3	s7.9(1)	Was the auditor's report for the financial year ended 30 June 2023 received by the local government by 31 December 2023?	Yes	



4	s7.12A(3)	Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	Yes	
5	s7.12A(4)(a) & (4)(b)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	N/A	
6	s7.12A(5)	Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website?	N/A	
7	Audit Reg 10(1)	Was the auditor's report for the financial year ending 30 June 2023 received by the local government within 30 days of completion of the audit?	Yes	

Local Government Employees				
No	Reference	Question	Response	Comments
1	s5.36(4) & s5.37(3) Admin Reg 18A	Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?	N/A	
2	Admin Reg 18E	Was all information provided in applications for the position of CEO true and accurate?	N/A	
3	Admin Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995?	N/A	
4	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	N/A	
5	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A	



Official Conduct				
No	Reference	Question	Response	Comments
1	s5.120	Has the local government designated an employee to be its complaints officer?	Yes	
2	s5.121(1) & (2)	Has the complaints officer for the local government maintained a register of complaints which records all complaints that resulted in a finding under section 5.110(2)(a) of the Local Government Act 1995?	Yes	
3	S5.121(2)	Does the complaints register include all information required by section 5.121(2) of the Local Government Act 1995?	Yes	
4	s5.121(3)	Has the CEO published an up-to-date version of the register of the complaints on the local government's official website?	Yes	

Tenders for Providing Goods and Services				
No	Reference	Question	Response	Comments
1	F&G Reg 11A(1) & (3)	Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	Yes	
2	s3.57 F&G Reg 11	Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?	Yes	
3	F&G Regs 11(1), 12(2), 13, & 14(1), (3), and (4)	When regulations 11(1), 12(2) or 13 of the Local Government Functions and General) Regulations 1996, required tenders to be publicly invited, did the local government invite tenders via Statewide public notice in accordance with Regulation 14(3) and (4)?	Yes	



4	F&G Reg 12	Did the local government comply with Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?	N/A	
5	F&G Reg 14(5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents, or each acceptable tenderer notice of the variation?	Yes	
6	F&G Regs 15 & 16	Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?	Yes	
7	F&G Reg 17	Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes	
8	F&G Reg 18(1)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	No	
9	F&G Reg 18(4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes	
10	F&G Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes	
11	F&G Regs 21 & 22	Did the local government's advertising and expression of interest processes comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?	Yes	
12	F&G Reg 23(1) & (2)	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	N/A	
13	F&G Reg 23(3) & (4)	Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	N/A	



14	F&G Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24?	N/A	
15	F&G Regs 24AD(2) & (4) and 24AE	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions & General) Regulations 1996 regulations 24AD(4) and 24AE?	N/A	
16	F&G Reg 24AD(6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A	
17	F&G Reg 24AF	Did the local government's procedure for receiving and opening applications to join a panel of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 16, as if the reference in that regulation to a tender were a reference to a pre-qualified supplier panel application?	N/A	
18	F&G Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG?	N/A	
19	F&G Reg 24AH(1)	Did the local government reject any applications to join a panel of pre-qualified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A	
20	F&G Reg 24AH(3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A	
21	F&G Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	N/A	
22	F&G Regs 24E & 24F	Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?	Yes	



Integrated Planning and Reporting				
No	Reference	Question	Response	Comments
1	Admin Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	15/12/2022
2	Admin Reg 19DA(1) & (4)	Has the local government adopted by absolute majority a corporate business plan? If Yes, please provide the adoption date or the date of the most recent review in the Comments section?	Yes	15/12/2022
3	Admin Reg 19DA(2) & (3)	Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?	Yes	

Optional Questions				
No	Reference	Question	Response	Comments
1	Financial Management Reg 5(2)(c)	Did the CEO review the appropriateness and effectiveness of the local government's financial management systems and procedures in accordance with the Local Government (Financial Management) Regulations 1996 regulations 5(2)(c) within the three financial years prior to 31 December 2023? If yes, please provide the date of council's resolution to accept the report.	Yes	5/02/2021
2	Audit Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2023? If yes, please provide date of council's resolution to accept the report.	Yes	24/03/2021
3	s5.87C	Where a disclosure was made under sections 5.87A or 5.87B of the Local Government Act 1995, were the disclosures made within 10 days after receipt of the gift? Did the disclosure include the information required by section	N/A	



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		5.87C of the Act?		
4	s5.90A(2) & (5)	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government’s website, a policy dealing with the attendance of council members and the CEO at events?	Yes	
5	s5.96A(1), (2), (3) & (4)	Did the CEO publish information on the local government’s website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?	Yes	
6	s5.128(1)	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	
7	s5.127	Did the local government prepare a report on the training completed by council members in the 2022/2023 financial year and publish it on the local government’s official website by 31 July 2023?	Yes	
8	s6.4(3)	By 30 September 2023, did the local government submit to its auditor the balanced accounts and annual financial report for the year ending 30 June 2023?	Yes	
9	s.6.2(3)	When adopting the annual budget, did the local government take into account all its expenditure, revenue and income?	Yes	

Chief Executive Officer

Date

Mayor/President

Date



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