

Audit and Risk and Improvement Committee Meeting Minutes 17 August 2026

Minutes of the Audit and Risk Management Advisory Committee AR held in **JC Rose Room** on **Monday 17 August 2026**.

1. DECLARATION OF OPENING OF MEETING

The meeting was opened by Presiding Member Joanne Burgess at 1.03pm.

2. ATTENDANCE / APOLOGIES

Present:

- Independent Presiding Member Joanne Burgess
- Shire President Donelle Buegge
- Cr Steve Miolin
- Cr Julie Bettink
- Cr Jayde Darin 1.07pm

Apologies

- Nil

Observers:

- Ben Rose – Chief Executive Officer (CEO)
- Greg Lockwood - Director Business (DB)

3. TERMS OF REFERENCE

Functions	• As prescribed in Regulation 16 of the <i>Local Government (Audit) Regulations 1996</i>. • Providing a recommendation to the Council on the appointment of its Auditor under s.7.3 of the <i>Local Government Act 1995</i>. • To review the compliance audit return and to report to Council the results of that review in accordance with Regulation 14(3A) of the <i>Local Government (Audit) Regulations 1996</i>. • To consider the review of certain systems and procedures by the CEO in accordance with Regulation 17(3) of the <i>Local Government (Audit) Regulations 1996</i>.
Meeting frequency	Minimum of three (4) times per financial year.
Membership	The membership of the Audit, Risk and Improvement Committee: • Independent Presiding Member • Independent Deputy to the Presiding Member (Proxy) • Maximum of five (5), and minimum of three (3), Council members.

Proxy members	The Independent Deputy to the Presiding Member is the proxy to the Independent Presiding Member. Two (2) members of Council shall be appointed to be the first and second proxy members of the committee, and they may attend and participate in the committee where a member is absent.
Quorum	The quorum for a meeting this committee is at least 50% of the number of offices (whether vacant or not) of members of the committee.

4. DECLARATION OF FINANCIAL INTERESTS

Nil

5. CONFIRMATION OF MINUTES OF THE MEETING HELD 24 February 2026

Moved SP Buegge / Seconded Cr Miolin

“That the minutes of the Audit Committee meeting held on 24 February 2026 be adopted as a true and correct record of the meeting.”

Carried 4/0

6. MATTERS ARISING FROM THE MEETING HELD 24 February 2026Independent Person to Audit Committee

The DRAFT EOI document with minor amendments accepted by ARIC. From that process Council by Absolute Majority appointed Ms Joanne Burges to be the Independent Presiding Member and Alan Lamb as the Deputy to the Independent Presiding Member.

Ms Burgess thanked Council for their faith in appointing her to Independent Presiding Member.

7. RISK MANAGEMENT

Nil.

8. REVIEW OF 2025 COMPLIANCE AUDIT RETURN**ATTACHMENT : 2**

The CEO presented the 2025 Compliance Audit Return and noted that typically this would have been presented in March 2026, however the return was not released due to the new Inspector wishing to add content to the return post his appointment. The due date for adoption and submission to the Department is 30th September 2026.

The CEO noted there was one item of non-compliance relating to Reg 19DA *“Has the local government reviewed its corporate business plan in accordance with Admin Reg 19DA(4)?”*

Whilst the Shire has undertaken significant community consultation with the community around blueprints and the council plan the overall review per 19DA(4) had not been completed.

Moved SP Buegge / Seconded Cr Bettink

“The Audit, Risk and Improvement Committee endorse the 2025 Compliance Audit Return to be presented to Council for adoption”.

Carried 5/0

9. PRESENTATION OF MANAGEMENT FINDINGS FROM THE 2026 INTERIM AUDIT

ATTACHMENT: 3

The DB presented the findings from the Interim Audit carried between the 13-15th May 2026. There were 11 findings, 5 related to finance matters and 6 items were IT related. DB also discussed the progress on rectifying the issues.

The progress on implementing the recommendations will be presented to the ARIC under the standing committee agenda item “Effectiveness of Compliance” going forward.

Moved Cr Darin / Seconded Cr Miolin

The Audit, Risk and Improvement Committee receive the findings and subsequent actions from the 2026 Interim Audit.

Carried 5/0

10.EFFECTIVENESS OF COMPLIANCE

ATTACHMENT: 5

DB presented the progress of items raised at the 2025 Annual Financial audit, Regulation 17 Review and Financial Management Systems Review.

Moved SP Buegge / Seconded Cr Miolin

The Audit, Risk and Improvement Committee note the progression of recommendations from previous audits and reviews.

Carried 5/0

11. GENERAL BUSINESS

The Presiding Member noted the scheduled June 2027 meeting was on a public holiday and will need to be rescheduled.

12. NEXT MEETING

The next meeting is scheduled for 26 October 2026.

13. MEETING CLOSURE

The meeting was closed at 2.13pm.

NOTICE OF MEETING

Notice is given that a Meeting of the Manjimup Audit Risk, and Improvement Committee will be held at **JC Rose Room** on **Monday 17 August 2026** commencing at 1.00pm.



Ben Rose
CHIEF EXECUTIVE OFFICER
10 August 2026

AGENDA

1. DECLARATION OF OPENING OF MEETING

The Shire of Manjimup respectfully acknowledges the Noongar people as the Traditional Custodians of the lands in which we work throughout the region and we pay our respects to their Elders past and present.

2. ATTENDANCE / APOLOGIES

3. TERMS OF REFERENCE

AUDIT, RISK AND IMPROVEMENT COMMITTEE	
Functions	The functions of the Audit, Risk and Improvement Committee are: - As prescribed in Regulation 16 of the <i>Local Government (Audit) Regulations 1996</i>. - Providing a recommendation to the Council on the appointment of its Auditor under s.7.3 of the <i>Local Government Act 1995</i>. - To review the compliance audit return and to report to Council the results of that review in accordance with Regulation 14(3A) of the <i>Local Government (Audit) Regulations 1996</i>. - To consider the review of certain systems and procedures by the CEO in accordance with Regulation 17(3) of the <i>Local Government (Audit) Regulations 1996</i>.
Meeting frequency	Minimum of four (4) times per financial year.
Membership	The membership of the Audit, Risk and Improvement Committee comprises: - Independent Presiding Member - Independent Deputy to the Presiding Member (proxy) - Maximum of five (5), and minimum of three (3), Council members
Proxy Members	The Independent Deputy to the Presiding Member is the proxy to the Independent Presiding Member. Two (2) members of Council shall be appointed to be the first and second proxy members of the committee, and they may attend and participate in the committee where a member is absent.

4. DECLARATION OF FINANCIAL INTERESTS

Any committee member who has a financial interest in any matter to be considered by the committee must declare that interest and the nature of that interest in writing immediately before the matter is discussed.

5. CONFIRMATION OF MINUTES OF THE MEETING HELD 24 FEBRUARY 2026

ATTACHMENT: 1

Moved _____ / Seconded _____

“That the minutes of the Audit, Risk and Improvement Committee held on 24 February 2026 be adopted as a true and correct record of the meeting.”

6. MATTERS ARISING FROM THE MEETING HELD 24 FEBRUARY 2026

Independent Person to Audit Committee

The DRAFT EOI document with minor amendments accepted by ARIC. From that process Council by Absolute Majority appointed Ms Joanne Burges to be the Independent Presiding Member and Alan Lamb as the Deputy to the Independent Presiding Member.

7. RISK MANAGEMENT

Nil

8. REVIEW OF 2025 COMPLIANCE AUDIT RETURN

ATTACHMENT: 2

Moved _____ / Seconded _____

“The Audit, Risk and Improvement Committee endorse the 2025 Compliance Audit Return to be presented to Council for adoption”.

9. PRESENTATION OF MANAGEMENT FINDINGS FROM THE 2026 INTERIM AUDIT

ATTACHMENT: 3

Moved _____ / Seconded _____

“The Audit, Risk and Improvement Committee receive the findings and subsequent actions from the 2026 Interim Audit.

10. THE EFFECTIVENESS OF COMPLIANCE

Review progress of management items from 2025 Annual Financial Audit, FMSR 2025 and REG 17 Review and 2026 Interim Audit to be added to the running sheet once endorsed.

ATTACHMENT: 4

11. GENERAL BUSINESS

12. NEXT MEETING

The next meeting is scheduled for October 2026 (Completion of Annual Financial Audit).

13. MEETING CLOSURE

**Audit and Risk Management Advisory Committee Meeting Minutes
24 February 2026**

Minutes of the Audit and Risk Management Advisory Committee AR held in **JC Rose Room** on **Tuesday 24 February 2026**.

1. DECLARATION OF OPENING OF MEETING

The meeting was opened by Shire President Donelle Buegge at 1.56pm.

2. ATTENDANCE / APOLOGIES

Present:

- President Donelle Buegge
- Cr Steve Miolin
- Cr Jayde Darin
- Cr Andy Burns (1st Proxy)
- Cr Wade De Campo (2nd Proxy)

Apologies

- Cr Brayden Daniele
- Cr Julie Bettink

Observers:

- Ben Rose – Chief Executive Officer (CEO)
- Greg Lockwood - Director Business (DB)

3. TERMS OF REFERENCE

Functions	• As prescribed in Regulation 16 of the <i>Local Government (Audit) Regulations 1996</i>. • Providing a recommendation to the Council on the appointment of its Auditor under s.7.3 of the <i>Local Government Act 1995</i>. • To review the compliance audit return and to report to Council the results of that review in accordance with Regulation 14(3A) of the <i>Local Government (Audit) Regulations 1996</i>. • To consider the review of certain systems and procedures by the CEO in accordance with Regulation 17(3) of the <i>Local Government (Audit) Regulations 1996</i>.
Meeting frequency	Minimum of three (3) times per financial year.
Membership	The membership of the Audit and Risk Management committee comprises: • Shire President (ex-officio member). • Maximum of five (5), and minimum of three (3), Council members.

Proxy members	Two (2) members of Council shall be appointed to be the first and second proxy members of the committee, and they may attend and participate in the committee where a member is absent.
Quorum	The quorum for a meeting this committee is at least 50% of the number of offices (whether vacant or not) of members of the committee.

4. DECLARATION OF FINANCIAL INTERESTS

Nil

5. CONFIRMATION OF MINUTES OF THE MEETING HELD 2 DECEMBER 2025

Moved Cr Miolin / Seconded Cr Darin

“That the minutes of the Audit Committee meeting held on 2 December 2025 be adopted as a true and correct record of the meeting.”

Carried 5/0

6. MATTERS ARISING FROM THE MEETING HELD 10 SEPTEMBER 2025

Nil

7. RISK MANAGEMENT

Nil.

8. REVIEW OF EXPRESSION OF INTEREST DOCUMENTS – INDEPENDENT PERSON AUDIT COMMITTEE

ATTACHMENT : 2

The DB presented the DRAFT Expression of Interest Document for the Independent Person to the Committee. The Committee requested the removal of the remuneration figure and to state – “This is a remunerated position as per the Salaries and Allowances Act 1975, Part 6.4A – Meeting attendance fees for Independent Audit, Risk and Improvement Committee members – per meeting”.

Moved Cr Miolin / Seconded Cr Burns

“The Audit Risk Management Advisory Committee endorse the Expression of Interest document for presentation to Council with the removal of the remuneration figure and amend the remuneration section to include reference to the Salaries and Allowances Tribunal”.

Carried 5/0

**9. PRESENTATION OF FINANCIAL MANAGEMENT SYSTEMS REVIEW 2025
AND FINDINGS**

ATTACHMENT: 3

The DB presented the findings from the Financial Management Systems Review carried out by Lincolns. There were six findings, one medium risk and five minor risk findings. The corrections to these findings will be tracked as part of the effectiveness of compliance at all future Audit Committee meetings.

The Audit Committee requested the CEO and DB to consider a method to capture individual contractor spend to ensure purchase order compliance per the Auditors finding on Contractor Management.

Moved Cr Darin / Seconded Cr Miolin

The Audit Risk Management Advisory Committee receive the Financial Management Systems Review 2025 report and findings, and the Chief Executive Officer to investigate a suitable process to capture individual contactor spend and present proposed process at the next scheduled Audit and Risk Management Advisory Committee for consideration.

Carried 5/0

10. PRESENTATION OF REGULATION 17 REVIEW 2025 FINDINGS

ATTACHMENT: 4

The DB presented the findings from the Financial Management Systems Review carried out by Lincolns. There were six findings, all six were deemed medium risk findings. The corrections to these findings will be tracked as part of the effectiveness of compliance at all future Audit Committee meetings.

Moved Cr Burns / Seconded Cr Miolin

The Audit Risk Management Advisory Committee receive the Regulation 17 Review 2025 report and findings.

Carried 5/0

11. EFFECTIVENESS OF COMPLIANCE

ATTACHMENT: 5

DB presented the progress of items raised at the 2025 Interim and 2025 Annual Financial audit findings.

The Audit Committee were advised Item 12 – Testing of software and network infrastructure were complete with the introduction of a Vulnerability Scanner to the Shire's IT system.

12. GENERAL BUSINESS

2025 Compliance Audit Return (CAR)

DB noted that the CAR was always completed in January/February by staff and presented to the Audit Committee in March. This year the CAR has been delayed by the Department until later in the year to incorporate new questions post the appointment of the Local Government Monitor.

13. NEXT MEETING

The next meeting is scheduled for May 2026.

14. MEETING CLOSURE

The meeting was closed at 2.52pm.

COMPLIANCE AUDIT RETURN 2025

For the period 1 January 2025 to 31 December 2025

Reference	Question	Response	Comments	Respondent
Local Government Act 1995				
s. 2.29	Has every person elected or appointed to a mayor, president, deputy, or councillor role made the required declaration in the prescribed form before a prescribed person, prior to acting in the office?	Yes	Oaths filed in F160559	Manager Governance and Executive Services (MGES)
s. 3.16	Has the local government reviewed local laws which have not been reviewed in the previous 8 years, to ensure compliance with Schedule 9.3, Clause 65?	Yes	Cemetery, Activities on Thoroughfares, Dogs, Fencing and Standing Orders review completed 2/11/2021. Parking, Health, Cat, Waste and Bush Fire Brigade were created less than 8 years ago.	MGES
s. 3.57	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		Director of Business (DB)
s. 3.58(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	Per Disposal Policy	DB
s. 3.58(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) of the Act, in the required local public notice for each disposal of property?	N/A		DB
s. 3.59(2)(a)	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2025?	N/A		DB
s. 3.59(2)(b)	Has the local government prepared a business plan for each major land transaction that was not exempt in 2025?	N/A		DB

Reference	Question	Response	Comments	Respondent
s. 3.59(2)(c)	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 2025?	N/A		DB
s. 3.59(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 2025?	N/A		DB
s. 3.59(5)	During 2025, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A		DB
s. 5.16 (1)	Were all delegations to committees resolved by absolute majority?	N/A	No delegations to committees	MGES
s. 5.16 (2)	Were all delegations to committees in writing?	N/A	No delegations to committees	MGES
s. 5.17	Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995?	N/A	No delegations to committees	MGES
s. 5.18	Were all delegations to committees recorded in a register of delegations?	N/A	No delegations to committees	MGES
s. 5.36(4) & s. 5.37(3)	Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?	Yes	One senior employee advertised	HR
s. 5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee? 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?	Yes	See OCM (confidential) Minutes 22 April 2026	CEO
s. 5.39B	Has the local government adopted and maintained model standards that incorporate the prescribed model standards within required timeframes (including amendments), ensured adoption by absolute majority, published an up-to-date version on its official website, and avoided including any inconsistent additional provisions?	Yes	See OCM Minutes 4 March 2021. Available on Shire website.	MGES
s. 5.42	Were all delegations to the CEO resolved by an absolute majority? Were all delegations to the CEO in writing?	Yes Yes	See OCM minutes 27 May 2025	MGES
s. 5.43	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995?	Yes	See OCM minutes 27 May 2025	MGES

Reference	Question	Response	Comments	Respondent
s. 5.44(2)	Were all employees delegated authority by the CEO under Section 5.44(1), issued with a written instrument of delegation?	Yes	Registered in F161497	MGES
s. 5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority?	N/A	Nil amended or revoked	MGES
s. 5.46	Has the CEO kept a register of all delegations made under Division 4 of the Local Government Act 1995 to the CEO and to employees? Were all delegations made under Division 4 reviewed by the delegator at least once during the 2024/2025 financial year? 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 Yes Yes	Registered in F161497. Review undertaken in May 2025.	MGES
s. 5.50	If the local government paid a finishing employee an amount in addition to their entitlement, did the local government follow a policy it had adopted and published on the website? outlining the circumstances in relation to payments made to terminated employees? If the local government made a payment to a finishing employee that is more than the amount set out in the policy, was local public notice given?	N/A	N/A	N/A
s. 5.51A	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 Yes	Registered in F210141 and available on Shire website	MGES
s. 5.67	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	Noted in the relevant meeting minutes	MGES
s. 5.68(2)	Were all decisions regarding participation approval in relation to Section 5.68(2), including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations	N/A	No approvals were granted under s5.68	MGES

Reference	Question	Response	Comments	Respondent
	1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting?			
s. 5.69(5)	Were all decisions regarding participation approval in relation to Section 5.69(5), including the extent of participation allowed recorded in the minutes of the relevant council or committee meeting?	N/A	No approvals were granted under s5.69	MGES
s. 5.70	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	Interests declared in relevant reports	MGES
s. 5.71B(5) and (7)	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 interest disclosed and any other information required by the Minister for the purposes of the application? 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	No applications made to the Minister	MGES
s. 5.73	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	Noted in the relevant meeting minutes	MGES
s. 5.75	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes	Registered in F250122	MGES
s. 5.76	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2025?	Yes	Registered in F250122	MGES
s. 5.77	On receipt of a primary or annual return, did the CEO, or the Mayor/President, as the case may be, give written acknowledgment of having received the return?	Yes	Registered in F250122	MGES
s. 5.88	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? 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	Yes Yes	Registered in F161101 and F250122 and on Shire website. Relevant returns removed.	MGES

Reference	Question	Response	Comments	Respondent
	Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28? After 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? 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 Yes		
s. 5.89A	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? Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes Yes	Registered in F160058 and on Shire website	MGES
s. 5.90A	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	Council Policy 1.2.2	MGES
s. 5.94	Does the local government have information available for members of the public to inspect, free of charge as prescribed under section 5.94 and Admin Reg 29, except where restricted under this section?	Yes	Information available for inspection	MGES
s. 5.96	Where a person is entitled to inspect information under this Division, can the local government confirm that copies are available and that the price at which it sells copies does not exceed the cost of providing them, (unless prescribed otherwise)?	Yes	Copies available as required	MGES
s. 5.96A	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	Required information published on website	MGES

Reference	Question	Response	Comments	Respondent
s. 5.104	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates that incorporates the model code of conduct? 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? 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	Registered in F160556 and available on Shire website	MGES
s. 5.128	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes	Council Policy 1.1.4	MGES
s. 7.12A(3), (4) and (5)	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? 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? 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		DB

Reference	Question	Response	Comments	Respondent
Local Government (Administration) Regulations 1996				
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	No CEO appointment undertaken during period	N/A
Reg 19AB	Does the code of conduct contain the requirement that a local government employee (not including the CEO) must not accept a prohibited gift from an associated person?	Yes	Registered in F210141 and available on Shire website	MGES
Reg 19AC	Does the local government's code of conduct include requirements for the recording, storing, disclosure, and use of information relating to gifts accepted by local government employees (excluding the CEO) from associated persons, in accordance with regulatory requirements?	Yes	Registered in F210141 and available on Shire website	MGES
Reg 19AE	Does the local government's code of conduct include requirements addressing employee behaviour in the performance of duties, interactions with others, use and disclosure of information, use of local government resources and finances, the keeping of records, and the reporting and management of suspected breaches and misconduct, in accordance with regulatory requirements?	Yes	Registered in F210141 and available on Shire website	MGES
Reg 19B	Did the local government include in its annual report all information required under section 5.53(2)(g) and (i) and regulation 3A(2), including number of employee's in salary bands over \$130,000, remuneration and allowances paid, ordered payments, CEO remuneration, council member meeting attendance, available demographic information about council members, and details of any modifications to the strategic community plan or significant modifications to the corporate business plan?	Yes	Registered in F161440 and available on Shire website	MGES
Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If yes, provide the date of the most recent review	Yes	Adopted June 2021, review to be undertaken in 2026	MGES
Reg 19DA	Has the local government reviewed its corporate business plan in accordance with Admin Regulation 19DA(4)? If yes, provide date of review	No	The Corporate Business Plan was last formally reviewed in June 2023. In 2025, the Shire has undertaken significant public consultation to develop community blueprints, which will inform the development	MGES

Reference	Question	Response	Comments	Respondent
	Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?	Yes	of a new consolidated Council Plan in 2026, in line with proposed LG Act reforms that relate to the Integrated Planning and Reporting Framework. Current CBP complies with requirements of Regs.	
Reg 22	Asked as part of question s5.75	N/A	N/A	N/A
Reg 23	Asked as part of question s5.76	N/A	N/A	N/A
Reg 28	Asked as part of question s5.88(1)	N/A	N/A	N/A
Reg 28A	Asked as part of question s5.89A(1)	N/A	N/A	N/A
Reg 29	Asked as part of question s5.94	N/A	N/A	N/A
Reg 29C	Does the local government publish all prescribed information on its official website— including up-to-date policies, required details of council member and employee returns, council member fees and allowances, and relevant public notices—within the specified timeframes and in accordance with legislative requirements?	Yes	All available on Shire website	MGES
Reg 35	Has every local government council member completed and passed the Council Member Essentials course, consisting of the five required modules and delivered by an approved provider, within 12 months of being elected?	Yes	Declarations registered in F170241	MGES
Reg 36	Does the local government appropriately identify and document council members who are exempt from the training requirements under section 5.126(1), including verifying that the member: - has completed an approved course within the specified 5-year period prior to election, or - completed the LGASS00002 Elected Member Skill Set before 1 July 2019 within the relevant timeframe, or - qualifies for the transitional exemption applicable to council members in office at the commencement of the 2019 regulatory amendments?	Yes	Declarations registered in F170241	MGES

Reference	Question	Response	Comments	Respondent
Local Government (Audit) Regulations 1996				
Reg 10	Was the auditor's report for the financial year ending 30 June 2025 received by the local government within 30 days of completion of the audit?	Yes	Accounts dated 24/11/25 Letter received 25/11/25	DB
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 2025? If yes, provide date of council's resolution to accept the report.	Yes	Completed 28/10/25	DB

Reference	Question	Response	Comments	Respondent
Local Government (Constitution) Regulations 1998				
Reg 11FA	Did the CEO provide the Minister a report as to the result of the election within 14 days of the declaration and in the form of Form 20 of the Local Government (Elections) Regulations 1997, modified as necessary?	Yes	Registered in F160233.	MGES
Reg 13	Were all required oaths, affirmations and declarations under section 2.42 (in relation to Commissioners) made in the correct form (Form 8), before the appropriate authorised person?	Yes	21 October 2025. Oaths registered in F160559.	MGES

Reference	Question	Response	Comments	Respondent
Local Government (Elections) Regulations 1997				
Reg 30G	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? 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	Yes	No disclosures made.	MGES

	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? 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?			
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Reference	Question	Response	Comments	Respondent
Local Government (Financial Management) Regulations 1996				
Reg 5	Has the CEO ensured efficient systems and procedures are established under provisions set out in Financial Management Regulations 5(1)(a) to (g)?	Yes	Financial Systems Review completed 19/12/25	DB
Reg 6	Has the local government ensured that any employee delegated responsibility for day-to-day accounting or financial management operations is not also delegated the responsibility for conducting internal audits, reviewing their own duties, or for managing, directing or supervising someone who carries out these functions?	Yes		DB
Reg 7	Did the local government ensure it has regard to the needs of the inhabitants of the district as a whole and not keep separate ward accounts or determine expenditure on the basis of revenue from a ward?	Yes		DB
Reg 8	Does the local government maintain separate accounts with a bank or other financial institution for money to be held in the municipal fund, trust fund and for reserve account purposes?	Yes		DB
Reg 9	Did the local government keep separate financial records for each trading undertaking and each major land transaction?	N/A		DB
Reg 11	Has the local government developed procedures for the authorisation of, and the payment of, accounts in accordance with Local Government (Financial Management) Regulations 11(1), (2) and (3)?	Yes		DB
Reg 12	Were payments made from the municipal fund or trust fund made by the CEO under a delegated authority or authorised, in accordance with regulation 13(2), in advance by a council resolution?	Yes		DB

Reference	Question	Response	Comments	Respondent
Reg 13	Can the local government confirm that, where the CEO has been delegated authority to make payments from the municipal or trust fund, the CEO prepared accurate monthly lists that are presented at the next ordinary council meeting and recorded in the minutes that: - include the payee's name, payment amount, payment date, and sufficient information to identify each transaction where payments have already been made; or - include the payee's name, payment amount, sufficient information to identify each transaction, and the date of the council meeting (to which the list will be presented) for accounts requiring council approval?	Yes		DB
Reg 13A	Did the local government prepare a list each month of all payments made using employee-authorised credit, debit or other purchasing cards, and include the payee's name, the amount of the payment, the date of the payment, sufficient information to identify the payment, and present the list at the next ordinary council meeting (and record in the minutes)?	Yes		DB
Reg 19	Has the local government established and documented internal control procedures to enable identification of the nature and location of all investments and any related transactions?	N/A	No investments made outside of the Shire's primary bank account holder.	DB
Reg 19C	Has the local government ensured that all investments made under section 6.14(1) comply with statutory restrictions set out in Financial Management Reg. 19C?	Yes	No investments made outside of the Shire's primary bank account holder.	No investments made outside of the Shire's primary bank account holder.

Reference	Question	Response	Comments	Respondent
Local Government (Functions and General) Regulations 1996				
Reg 7	Asked as part of question s3.59(2)	N/A	N/A	N/A
Reg 9	Asked as part of question s3.59(2)	N/A	N/A	N/A
Reg 10	Asked as part of question s3.59(2)	N/A	N/A	N/A
Reg 11A	Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996,	Yes		DB

Reference	Question	Response	Comments	Respondent
	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?			
Reg 11	Asked as part of question s3.57	N/A	N/A	N/A
Reg 12	Did the local government consider the implications of Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?	Yes	Carried out Tender Panels	DB
Reg 14(1), (3) and (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	Online register of document downloads.	DB
Reg 15	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		D/B
Reg 16	Asked as part of question Reg 15	N/A	N/A	N/A
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		DB
Reg 18(1) and (4)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender? 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?	N/A	No occurrences where a rejection was required.	DB
Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes		DB
Reg 21	Does the local government's advertising and expression of interest processes for limiting who can tender comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?	N/A		

Reference	Question	Response	Comments	Respondent
Reg 22	Asked as part of question Reg 21	N/A	N/A	N/A
Reg 23	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? 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		D/B
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		DB
Reg 24AD(2), (4) and (6)	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? 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?	Yes	Online register of document downloads.	DB
Reg 24AE	Asked as part of question Reg 24AD(2), (4) and (6)	N/A	N/A	N/A
Reg 24AF	Asked as part of question Reg 24AD(2), (4) and (6)	N/A	N/A	N/A
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?	Yes		DB
Reg 24AH(1) and (3)	Did the local government reject any applications to join a panel of prequalified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A		DB

Reference	Question	Response	Comments	Respondent
	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?			
Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	Yes		DB
Reg 24E	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		DB
Reg 24F	Asked as part of question Reg 24	N/A	N/A	N/A

Chief Executive Officer

Date

Shire President

Date

SHIRE OF MANJIMUP

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2026

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

Index of findings	Potential impact on audit opinion	Rating	Year first raised
1. Bank reconciliations	No	Significant	2025
2. Debtor and creditor reconciliations	No	Moderate	2024
3. Business Activity Statement reconciliation	No	Minor	2026
4. Non-compliance with purchasing policy	No	Moderate	2026
5. Manual journals	No	Moderate	2023
6. IT Risk Register	No	Moderate	2024
7. Information Technology	No	Moderate	2026
8. Outdated Policies	No	Moderate	2025
9. Risk Register not Maintained and Updated	No	Moderate	2026
10. Physical and Logical Access Policy	No	Moderate	2024
11. Cyber Security Training	No	Moderate	2024

Ratings

The ratings in this management letter reflect our assessment of risks based on the likelihood and potential impact if no action is taken. These outcomes consider both quantitative impact (such as financial loss) and qualitative impact (such as inefficiency, non-compliance, poor service to the public or loss of public confidence).

● **Significant** – 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.

SHIRE OF MANJIMUP**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2026****FINDINGS IDENTIFIED DURING THE INTERIM AUDIT****1. Bank reconciliations****Finding**

During our interim review of bank reconciliations, we noted that the March 2026 municipal bank reconciliation had been prepared and reviewed while the cash module and general ledger remained open.

Following the completion and review of the reconciliation, a deposit of \$14,354.85 related to the Aqua Centre and a corporate credit card payment of \$8,496.03, both pertaining to March and reflected in the March 2026 bank statement, were subsequently recorded in the general ledger. Consequently, the reconciliation no longer reflected the final general balance for the period.

Although these transactions were legitimate March 2026 transactions and were recognised in the correct reporting period, the bank reconciliation was not re-performed following the posting of these transactions.

This is the second year the OAG has raised audit findings in respect of bank reconciliations.

Rating: Significant (2025: Significant)

Implication

Performing and reviewing bank reconciliations while the cash module and general ledger remain open increases the risk that additional transactions may be recorded after the reconciliation has been completed. As a result, the reconciliation may no longer reflect the actual balance of the general ledger at a define point in time.

Where transactions are posted after a reconciliation has been prepared and the reconciliation is not subsequently re-performed, there is an increased risk that differences between the bank balance and the general ledger are not identified and investigated. This reduces assurance that the reconciliation is complete and accurate, and may result in errors, omissions, or unauthorised transactions not being detected and corrected in a timely manner.

Recommendation

We recommend that adequate month-end cut-off procedures be implemented, including ensuring the cash module and general ledger are closed prior to the preparation and review of bank reconciliations.

Where transactions are required to be posted to a prior period after a reconciliation has been completed, the reconciliation should be re-performed and independently reviewed, with evidence of review (including signature and date) retained.

Management comment

Management acknowledges the finding regarding the timing of the March 2026 bank reconciliation. The transactions identified were valid March items and were recorded in the appropriate period to ensure compliance with accrual accounting principles and accurate financial reporting.

Management recognises that completing the reconciliation prior to the closure general ledger can result in subsequent transactions not being reflected in the reconciliation.

SHIRE OF MANJIMUP**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2026****FINDINGS IDENTIFIED DURING THE INTERIM AUDIT**

To address this, month-end procedures will be strengthened to ensure the general ledger are formally closed prior to the preparation and review of bank reconciliations. Where transactions are required to be posted after a reconciliation has been completed, the reconciliation will be updated and re-reviewed, with appropriate evidence of sign-off retained.

Responsible person: [Craig Martyn, Coordinator Finance & Administration]
Completion date: [15 June 2026]

SHIRE OF MANJIMUP**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2026****FINDINGS IDENTIFIED DURING THE INTERIM AUDIT****2. Debtor and creditor reconciliations****Finding**

During our interim review of the debtor and creditor reconciliations as at 31 March 2026, we noted the following:

- There was a variance of \$631,234 between the creditor subsidiary ledger and the creditor control account balance in the general ledger. There was a variance of \$7,886 between the debtor subsidiary ledger and the debtor control account balance in the general ledger; and
- The March 2026 creditor reconciliation had not been signed to evidence that an independent review had been performed.

This is the third year the OAG has raised audit findings in respect of debtor and creditor reconciliations.

Rating: **Moderate** (2025: **Moderate**)

Implication

Unresolved differences between the general ledger control accounts and subsidiary ledgers may indicate errors or misstatements in the financial statements. They may also indicate weaknesses in the reconciliation and review process, reducing management's ability to identify and correct errors, omissions, or unauthorised transactions in a timely manner.

In addition, ineffective reconciliation and review processes increase the risk that financial information used for financial reporting and decision-making is incomplete, inaccurate, or unreliable.

Recommendation

We recommend that management enhance the reconciliation process to ensure variances between the general ledger control accounts and subsidiary ledgers are promptly investigated and resolved, with particular focus on addressing cut-off timing differences. Adjustments arising from reconciliations should be adequately supported, reviewed, and appropriately recorded to ensure the ongoing accuracy and completeness of reported balances.

Management comment

Management acknowledges the audit finding. The identified variances were largely due to timing differences and the absence of a formalised month-end cut-off process, with invoices often recorded in the subsequent period when received. This practice resulted in transactions being recognised outside the appropriate reporting period.

The lack of documented evidence of independent review for the March 2026 creditor reconciliation, which was an administrative oversight.

Responsible person: [Craig Martyn, Coordinator Finance & Administration]
Completion date: [15 June 2026]

SHIRE OF MANJIMUP**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2026****FINDINGS IDENTIFIED DURING THE INTERIM AUDIT****3. Business Activity Statement reconciliation****Finding**

During our review of the 31 March 2026 Business Activity Statement (BAS), we noted an unexplained variance of \$114,562 between the Goods and Services Tax (GST) reported in the BAS and the GST balance recorded in the 31 March 2026 trial balance.

Rating: **Minor**

Implication

There is an increased risk that errors or misstatements in GST balances may not be identified and corrected in a timely manner. The unexplained variance indicates weaknesses in the reconciliation and review process, increasing the risk that errors or misstatements in GST-related balances within the financial statements are not identified and corrected in a timely manner.

Recommendation

We recommend that management strengthen controls by ensuring the BAS is reconciled to the general ledger and that any variances are identified, investigated, and resolved in a timely manner.

Management comment

A thorough review and reconciliation have been undertaken. The GST account anomaly was \$3,052 caused by late transaction posted between financial years at year end over multiple years. This has been identified as a risk and processes including a reconciliation each month of the overall BAS position will be carried out going forward.

Responsible person: [Greg Lockwood – Director of Business]
Completion date: [1 July 2026]

SHIRE OF MANJIMUP**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2026****FINDINGS IDENTIFIED DURING THE INTERIM AUDIT****4. Non-compliance with purchasing policy****Finding**

During our sample testing of 20 payment transactions, we noted the following exceptions:

- One instance where the purchase order was raised after the supplier invoice was received; and
- One instance where one quote was obtained, rather than the two quotes required under the Shire's Purchasing Policy.

Rating: **Moderate**

Implication

Purchases made without appropriate pre-approvals through the purchasing order process, or where the required number of quotes are not obtained, increase the risk of unauthorised or inappropriate expenditure and non-compliance with the Shire's Purchasing Policy.

Recommendation

We recommend that management reinforce procurement controls by ensuring purchase orders are raised prior to the ordering of goods and services, and that the required number of quotes are obtained before committing Shire funds to purchases.

Management comment

Management acknowledges the instances of non-compliance identified. While these were isolated occurrences, Management has reiterated to all relevant staff the requirement to raise purchase orders prior to committing to any expenditure and to obtain the minimum number of quotations in accordance with the Shire's Purchasing Policy. Refresher guidance has been provided, and periodic reminders will be issued to strengthen awareness and compliance expectations.

Responsible person: [Greg Lockwood – Director of Business]
Completion date: [15 June 2026]

SHIRE OF MANJIMUP**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2026****FINDINGS IDENTIFIED DURING THE INTERIM AUDIT****5. Manual journals****Finding**

From a sample of eight manual journals selected for testing, we noted one instance where the journal was prepared, reviewed, and approved by the same officer.

This is the fourth year that OAG has raised audit findings in respect of manual journals.

Rating: **Moderate (2025: Moderate)**

Implication

Manual journals can represent significant adjustments to previously approved accounting transactions. In the absence of appropriate segregation of duties between preparing and reviewing of journals, there is an increased risk that erroneous or fraudulent transactions may go undetected.

Recommendation

We recommend that management ensure all manual journal entries are independently reviewed and approved by a second officer with appropriate delegated authority, and evidence of approval is retained.

Management comment

Management acknowledges the audit finding. A review of the 262 manual journals processed in the 2026 financial year, one instance was identified where the correct workflow was not followed, resulting in the same officer preparing, reviewing, and approving the journal.

While this represents an isolated occurrence, management recognises the importance of strict adherence to segregation of duties. Requirements have been reinforced to ensure all manual journals are independently reviewed and approved by a second officer who holds an appropriate higher level of delegated authority.

The identified journal was investigated, and it was found at the time the second authoriser authorised the journal it was 3 cents out of balance, this stopped the workflow. Director of Business saw the journal hadn't posted correctly, fixed the 3 cent error and restarted the workflow, due to this unusual situation the journal proceeded to posting, showing creation and approval by the same Officer.

Management will continue to monitor compliance and strengthen oversight to ensure this control is consistently applied.

Responsible person: [Craig Martyn, Coordinator Finance & Administration]
Completion date: [30 June 2026]

SHIRE OF MANJIMUP**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2026****FINDINGS IDENTIFIED DURING THE INTERIM AUDIT****6. IT Risk Register****Finding**

We noted that the Shire does not maintain an IT Risk Register to identify, assess, monitor, and manage IT related risks.

This is the third year that OAG has raised audit findings in respect of the IT risk register.

Rating: **Moderate (2025: Moderate)**

Implication

Without an IT Risk Register, there is an increased risk that risk that information technology, and cyber security risks are not adequately identified, assessed, monitored, and mitigated, limiting management's ability to proactively manage and respond to emerging IT and cyber security threats.

Recommendation

A comprehensive risk identification, evaluation and mitigation process be undertaken to ensure all potential risks associated with information technology, including cyber security are considered and documented.

Subsequently we recommend the risk register be updated to include specific information technology and cyber security risks such as ransomware breaches, data breaches, reputational damage and related media which may be required in the event of a cyber security breach.

Management comment

IT will create a Risk Register specific to IT issues.

Responsible person: [Chris Yovkoff – Manager ICT]

Completion date: [31 March 2027]

SHIRE OF MANJIMUP**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2026****FINDINGS IDENTIFIED DURING THE INTERIM AUDIT****7. Information Technology****Finding**

During our review of information technology controls and or processes (IT) we noted the following:

- data loss prevention measures have not been implemented;
- the backup server located at the depot is not physically secured;
- penetration testing has not been performed;
- periodic user access reviews are not performed for critical systems; and
- there is no policy governing the disposal of IT equipment.

Rating: **Moderate**

Implication

The absence of key IT controls and processes increases the risk of unauthorised access, data loss, cyber security incidents, and inappropriate disclosure of sensitive information. It may also affect the confidentiality, integrity, and availability of information systems and data, potentially disrupting the Shire's operations and business continuity.

Recommendation

We recommend that management strengthen IT control environment by implementing appropriate security controls and processes, including data loss prevention measures, secure storage of backup servers, regular penetration testing, periodic user access reviews for critical systems, and a formal policy for the disposal of IT equipment that is communicated to relevant staff.

Management comment

- *Data Loss Prevention – currently not budgeted for however will review for opportunities to meet standard.*
- *Backup server is located within a physically secured communication rack, in the server room that is shared with the Technical Services equipment at the Depot. IT will engage a contractor to fit a keyed lock for Technical Svces and IT only.*
- *Penetration testing – “Light Touch” assessment of vulnerabilities is undertaken by current Cyber Security contractor. IT to investigate costs associated with a formal program of penetration testing.*
- *The ICT department will begin to implement a quarterly schedule to review user access to critical systems.*
- *Disposal of Assets Policy to be amended to include process of reviewing and deleting data on outgoing IT equipment.*

Responsible person: [Chris Yovkoff – Manager ICT]
Completion date: [31 March 2027]

SHIRE OF MANJIMUP**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2026****FINDINGS IDENTIFIED DURING THE INTERIM AUDIT****8. Outdated Policies****Finding**

We noted the following policies were overdue for review at the time of the interim audit:

Policy Name

Long Term Financial Plan
 Collection of outstanding rates
 Credit card
 Social and Media Use and Guidelines
 Information and Communication Technology Systems
 Acceptance Use Policy
 Fraud Management Policy
 Complaints System

Review due date

Last reviewed 2016
 Due for review June 2024
 Last reviewed May 2020
 Due for review November 2024

 Last reviewed October 2020
 Due for review May 2025
 Due for review May 2025

This is the second year that OAG has raised audit findings in respect of outdated policies.

Rating: Moderate (2025: Moderate)

Implication

There is a risk that policies may be out of date and no longer align with the Shire's current financial, operational, and strategic objectives.

Recommendation

We recommend that the policies be reviewed and, where necessary, updated to ensure they remain current and aligned with the Shire's requirements and objectives.

Management comment

Management acknowledges the finding and agrees that a number of policies are overdue for review.

A structured policy review program has been established to address the backlog and ensure timely future reviews. Priority will be given to high-risk and key governance policies, including the Long Term Financial Plan, Fraud Management Policy, and financial-related procedures.

Responsible person: [Craig Martyn, Coordinator Finance & Administration]
Completion date: [30 June 2026]

SHIRE OF MANJIMUP**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2026****FINDINGS IDENTIFIED DURING THE INTERIM AUDIT****9. Risk Register Not Maintained and Updated****Finding**

During our review of the Shire's risk management policy and procedures, we noted that the Shire has not reviewed or updated its risk register since 2023.

Rating: **Moderate**

Implication

An out-of-date risk register reduces assurance that risks are being effectively identified, monitored, and managed in line with the Shire's current operating environment and risk profile. This may limit the usefulness of the register in supporting executive decision-making and Audit and Risk Committee oversight and increases the risk that:

- emerging risks are not adequately identified, assessed, or treated.
- risk ownership, accountability, and oversight responsibilities are unclear or no longer appropriate; and
- management and governance oversight is based on incomplete, outdated, or inaccurate risk information.

Recommendation

We recommend that the Shire conduct periodic reviews of its risk register to ensure effective oversight and the timely identification, assessment, and mitigation of operational and strategic risks.

Management comment

A thorough review of the Shire's risk management processes will be undertaken and updated.

Responsible person: [Greg Lockwood - Director of Business]

Completion date: [31 March 2027]

SHIRE OF MANJIMUP**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2026****FINDINGS IDENTIFIED DURING THE INTERIM AUDIT****10. Physical and Logical Access Policy****Finding**

During our testing on IT procedures, we noted that the Shire does not have policies and procedures governing physical access and logical access to IT applications and infrastructure within the Shire.

This is the third year that OAG has raised audit findings in respect of the physical and logical access policy.

Rating: **Moderate (2025: Moderate)**

Implication

The absence of policies for physical and logical access to the Shire's IT applications such as Datascape and infrastructure poses a security risk, potentially increasing the risk of unauthorised individuals gaining access to sensitive information and systems.

Recommendation

We recommend the Shire establish policies and procedures for physical and logical access control to safeguard sensitive information and systems from unauthorised access.

Management comment

Physical and logical access policy to be created.

Responsible person: [Chris Yovkoff, Manager ICT]
Completion date: [31 March 2027]

SHIRE OF MANJIMUP**PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2026****FINDINGS IDENTIFIED DURING THE INTERIM AUDIT****11. Cyber Security Training****Finding**

We noted the Shire does not provide regular cyber security related training provided to staff nor is cyber security included in induction training for new employees.

This is the third year that OAG has raised audit findings in respect of cyber security training.

Rating: Moderate (2025: Moderate)

Implication

The absence of cyber security related training exposes the organisation to increased vulnerability, as employees may lack awareness of security threats, best practices, and proper response protocols. This knowledge gap heightens the risk of data breaches, phishing attacks, and other cyber threats.

Recommendation

We recommend the Shire:

- implement comprehensive cyber security training programs for all employees to cover topics such as password security, recognising phishing attempts, safe browsing habits, and incident reporting procedures; and
- regularly update training materials to address emerging threats.

This proactive approach enhances the Shire's overall security position and empowers employees to contribute to robust cyber security culture.

Management comment

Cyber Security vendor has been procured for training, but the program has not yet been implemented. To be carried out later in the calendar year.

Responsible person: [Chris Yovkoff, Manager ICT]
Completion date: [31 December 2026]

SHIRE OF MANJIMUP

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2026

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

2025 Financial Management Systems Review

	Risk Level	Completion	Comment
Review Finding Recommendations			
1 - Contract Management	Medium		
That Management - establish and maintain a consolidated contract register to support effective monitoring of contractual commitments, procurement compliance, and contract renewal timeframes, and; - implement a formal monitoring process to identify non-compliance with the procurement policy, including cumulative supplier expenditure across directorates		Ongoing	The Shire's main software supplier is close to finalising a Contract Management program to undertake many of the points above which the Shire will adopt on finalisation, with the exception of "cumulative supplier expenditure". Given the size of the Shire, suppliers tend to be specific to Directorates. An internal review of a suitable process to capture individual contractor spend (above a defined threshold, over a defined period) will be investigated. <i>Still waiting on Software Supplier for formal register.</i>
2 - Bank Reconciliations	Low		
That management ensure bank reconciliations are consistently dated and evidence both preparation and independent review.		Complete	Agreed. As stated in the findings, changes have been incorporated by Management for the 2025/26 financial year, onwards.
3 - Payroll Controls	Low		
That management implement a documented independent review of new employee payroll setup to confirm accuracy prior to first payment.		Complete	Agreed. To be reviewed by Coordinator of Administration and Finance.
4 - Stock/Inventory Controls	Low		
That management enhance stocktake documentation to include valuation information or reconciliation to supporting valuation records.		Complete	Processes are already in place, staff to be reminded to follow validation and authorisation procedure.
5 - Monthly Statements	Low		
That management implement controls to support timely preparation and presentation of monthly financial activity statements in accordance with legislative requirements.		Complete	Acknowledged (was also part of Interim Audit findings for the 2024-25 year). With a meeting early in December and no meeting in January 2025 there was a backlog of reports and the issue has not occurred again once caught up.

2025 Regulation 17 Review

	Risk Level	Completion	Comment
Review Finding Recommendations			
1 - Risk Register	Medium		
It is recommended that the CEO establish a formal risk management review schedule, requiring both strategic and operational risk registers to be reviewed biannually. The Governance Officer should maintain a Risk Review Log and provide summary reports to the Audit Committee confirming updates to risk ratings, control effectiveness, and treatment progress.			Agreed, with Manager of Governance and Executive Services appointed resources are now available to meet the recommendation.
2 - IT General Controls	Medium		
It is recommended that the CEO and ICT Manager implement a formal ICT access management framework incorporating: •Quarterly user access reviews, •A documented change control log, and •A standardised on/off-boarding checklist for all staff and contractors. These actions will enhance system integrity and governance compliance with Audit Regulation 17(c) and better practice guides published by the Office of Auditor General WA.			Agreed.
3 - Integrated Planning and Reporting	Medium		
It is recommended that the CEO complete the major review of the Strategic Community Plan by June 2026, and concurrently update the Corporate Business Plan, Workforce Plan, Asset Management Plan, and Long Term Financial Plan. These documents should be adopted by Council and published on the Shire's website.		In progress	With the Shire currently undertaking the Shire of Manjimup Town Blue Print project and Council Plan, Council will be in a very strong position to update those informing plans with valuable information direct from the community. <i>The Town Blue Print project is now complete with the Senior Management Team working on the Council Plan for Council consideration.</i>
4 - Policy Framework	Medium		
It is recommended that the CEO introduce an annual policy review program integrated into the Governance and Risk Calendar. The review schedule should identify policies due for review, responsible officers, and Council adoption timelines. An annual summary of policy review activity should be reported to the Audit Committee, demonstrating compliance with Audit Regulation 17(b) and supporting transparency and good governance practices.		In progress	Agreed, recommendations to be implemented. <i>Staff working through policies and presenting them for Council adoption once each review is complete.</i>

2025 Regulation 17 Review

	Risk Level	Completion	Comment
5 - Whistleblower and Complaints Handling	Medium	In progress	
It is recommended that the CEO review and re-adopt the Public Interest Disclosure Policy to ensure alignment with current legislative requirements. Staff should receive annual awareness training on disclosure protections and reporting pathways. The existing Complaints System Policy should also be reviewed to ensure alignment with PID principles and Audit Regulation 17(c) requirements.			Agreed, recommendations to be implemented. <i>Director of Community Services (PID Officer) is scheduling training and has completed training for some of the satellite areas. A review of the policy to be completed shortly. PID training forms part of all new staff inductions.</i>
6 - Audit Committee Performance	Medium	In progress	
It is recommended that the CEO and Audit Committee Chair adopt an annual Audit Committee meeting plan comprising at least four meetings per year, aligned with key audit and governance milestones (interim audit, final audit, Regulation 17 review, policy and risk reporting). This will enhance ongoing oversight and ensure adherence to DLGSC Operational Guideline No. 9 – Audit Committees and Audit Regulation 16(c).			Agreed. This issue has been identified by Management and now that the new Audit Committee members have been appointed invitations will go for the next calendar year. Now that Independent Presiding Officer has now been appointed scheduling will occur
7 - ICT Disaster Recover & BCP	Low		
It is recommended that the CEO ensure annual testing of the ICT Disaster Recovery Plan and document the results, including lessons learned and remedial actions. A corporate-wide Business Continuity Plan should be developed to cover critical business functions and interdependencies across the organisation. This will align with Audit Regulation 17(c) and strengthen overall business resilience and continuity planning.			Agreed, recommendations to be implemented.
8 - Fraud and Corruption Controls	Low		
It is recommended that the CEO implement a biennial fraud and corruption awareness program for all staff and elected members. This should form part of the compliance training calendar and induction process, with completion rates reported annually to the Audit Committee. This will strengthen the control environment and align with Audit Regulation 17(c) and the Public Sector Commission's Integrity Strategy for Public Authorities.			Agreed, recommendations to be implemented.

2025 Annual Financial Audit

	Risk Level	Completion	Comment
MANAGEMENT LETTER			
1 - Manual Journals	Moderate		
The Shire should ensure that manual journals are reviewed and approved by appropriate Officers and who are independent of journal preparation.		Completed	In the instance listed above the workings within the Journal were prepared by the Finance Officer however given the size of the journal uploaded into Datascape by the Coordinator of Administration and Finance who also received verbal approval from the Director of Business. Unfortunately the Coordinator of Administration and Finance was noted as preparing and approving the journal. A review of the automated workflows has now been completed with fixes put in place.
2 - Accrued Expenses	Minor		
We recommend that outstanding purchase orders be reviewed at year-end to confirm whether the goods or services have been received before recognising the related amount as an accrued expense.		Completed	The Shire's finance staff review all purchase orders during the year and as part of the end of year process, however some external staff interpret what an accrued expense is differently. Finance staff will refine the process with the intent of removing the issue going forward. <i>Accrued expense request communication increased for 2025/26 EOFY with secondary review. Significant reduction from 2024/25.</i>
3 - Write-off of minor rate balances	Minor		
We recommend that all minor rate balance write-offs should be reviewed and approved by the CEO in accordance with Finance Policy 4.1.7.		Completed	Agreed. Staff member has been advised of the need to follow policy.
4 - Fuel Card Policy	Minor		
We recommend that management develop and implement a Fuel Card Policy that defines how cards are issued, used, and reviewed. This will strengthen internal controls and ensure consistent oversight of fuel expenditure.		Completed	Management Policy in place which requires updating and review. <i>Review of policy carried out.</i>