

MINUTES

Audit, Risk and Improvement Committee Meeting

Held in Council Chambers
13 Cottrell Street, Dowerin WA 6461
Monday 21 July 2025
Commencing 1:00pm

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Table of Contents



1.	Official Opening
2.	Record of Attendance / Apologies / Leave of Absence
3.	Public Question Time
4.	Disclosure of Interest
5.	Confirmation of Minutes of the Previous Meetings
5.1	Minutes of the Audit & Risk Committee Meeting held on 5 June 2025
6.	Presentations
7.	Officer's Reports
7.1	Interim Audit Results for the Year Ending 30 June 2025
8.	Questions from Members
9.	Urgent Business Approved by the Person Presiding or by Decision
10.	Date of Next Meeting
11.	Closure

Shire of Dowerin
Audit, Risk & Improvement Committee Meeting
1:00pm Monday 21 July 2025



1. Official Opening

The Chair welcomed those in attendance and declared the Meeting open at 1:00pm.

2. Record of Attendance / Apologies / Leave of Absence

Committee Members:

Ms T Jones	Independent Chair
Cr RI Trepp	President
Cr DP Hudson	
Cr BA Ward	

Staff:

Ms M Barthakur	Chief Executive Officer
Ms K Rose	Manager of Governance and Community Services
Mr S Mwale	Manager of Corporate Services

Apologies:

Cr NP McMorran	Deputy President
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Approved Leave of Absence:

Nil

3. Public Question Time

Nil

4. Disclosure of Interest

Nil

5. Confirmation of Minutes of the Previous Meeting(s)

5.1 Audit & Risk Committee Meeting held on 5 June 2025

[Attachment 5.1A](#)

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution – 5.1

Moved: Cr Hudson

Seconded: Cr Trepp

1142

That, in accordance with Sections 3.18 and 5.22(2) of the Local Government Act 1995, the Minutes of the Audit & Risk Committee Meeting held on 5 June 2025, as presented in Attachment 5.1A, be confirmed as a true and correct record of proceedings.

CARRIED 4/0


For: Ms T Jones, Cr Trepp, Cr Hudson, Cr Ward

6. PRESENTATIONS

Nil

7. OFFICER'S REPORTS

7.1 Interim Audit Results for the Year Ending 30 June 2025

Corporate & Community Services		 SHIRE OF DOWERIN TIN DOG TERRITORY
Date:	14 July 2025	
Location:	Not applicable	
Responsible Officer:	Manisha Barthakur, Chief Executive Officer	
Author:	Kahli Rose, Manager of Governance and Community Services	
Legislation:	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>	
SharePoint Reference:	Organisation/Corporate Management/Reporting	
Disclosure of Interest:	Nil	
Attachments:	Attachment 7.1A – Interim Audit Management Letter Attachment 7.1B – Interim Audit Findings Report	
Purpose of Report <input type="checkbox"/> Executive Decision <input checked="" type="checkbox"/> Legislative Requirement		

Summary

This Item presents the results and findings of the Interim Audit for the year ending 30 June 2025 to the Audit, Risk and Improvement Committee for consideration and, if satisfactory, recommendation to Council for adoption.

Background

The Office of the Auditor General (OAG) conducted its Interim Audit for the Shire of Dowerin on Thursday 1 and Friday 2 May 2025.

The Report on the results of the Audit has been received and is included as an Attachment for the Audit, Risk and Improvement Committee's information.

Comment

The Report identifies thirteen (13) areas which are considered deficient, being:

Matters outstanding from prior years' audits:

1. Journal Entries
2. Key Account Reconciliations
3. Outdated Policies
4. Cancelled Receipts
5. Amendments to Supplier and Payroll Masterfile

New findings:

6. Bank Reconciliations
7. Quotations
8. Long Outstanding Receivables
9. Corporate Credit Cards
10. Superannuation Guarantee contributions and PAYG Deductions
11. Pensioner Rebates
12. Rental Income
13. Tender Register

The rating given to twelve (12) deficiencies is Moderate, meaning the findings are of sufficient concern to warrant action being taken to rectify the deficiency as soon as practicable. One finding received a scoring of Minor, meaning the finding is not of primary concern, but still warrant action being taken.

The Report details the Finding against each deficiency, indicates the Implications the deficiency may have on the organisation, and makes Recommendations on how the organisation can best rectify the deficiency. Management was made aware of the identified deficiencies at the conclusion of the Audit and were afforded the opportunity to provide comment and context to the deficiency.

While the matters are fully detailed in the Report, they have been summarised below:

Finding one

Journal Entries

Recommendation

All general journals should independently be reviewed and authorised by an appropriate officer and evidence of preparation and review should be retained.

Management Comment

Management has put in place a system to enhance the reviewing of journals to ensure all journals are independently reviewed by a senior officer prior to posting. This is by maintaining a General Journal register.

Finding two

Key Account Reconciliations

Recommendation

The Shire should arrange for the above reconciliations to be prepared and reviewed by an independent officer. The review should be documented indicating date of review.

Management Comment

Monthly investment reconciliations were usually reviewed at the preparation of monthly Management reporting. However, measures are being taken to ensure all reconciliations are independently reviewed and dated.

Monthly Creditors reconciliations are now prepared. Management has taken measures to have all monthly reconciliations are prepared and completed in a timely manner.

Due to system errors, payroll reconciliations in SynergySoft have not been completed. Management is working with IT consultants to correct the errors. Management is working to have all outstanding reconciliations to be prepared and reviewed by independent officer.

Finding three

Outdated Policies

Recommendation

The Shire should develop a policy on policy review frequency and update its policies periodically in order to ensure their currency and relevance.

Management Comment

Review of Shire policies are under review. The Credit Card policy is one of the policies to be reviewed and update in coming months.

Finding four

Cancelled Receipts

Recommendation

The Shire should introduce a formal process for an officer independent of the receipting function to review cancelled receipts.

Management Comment

Management will work towards implementing a new process to independently review and approve cancelled receipts

Finding five

Amendments to Supplier and Payroll Masterfiles

Recommendation

The Shire should generate a report on amendments to Supplier and Payroll Masterfile from the system and perform an independent review of the changes to the Masterfiles regularly and evidence of review should be retained.

Management Comment

Management takes note of the recommendation and will implement a system of Supplier and Payroll Masterfile amendments through an audit trail process to ensure only authorised amendments are authorised. Independent reviews and regular reports are maintained.

Finding six

Bank Reconciliations

Recommendation

The Shire should in consultation with its IT consultants investigate the reasons for this anomaly and take remedial action at the earliest.

Management Comment

This issue has been identified and is related to the accounting system. Service ticket has been raised with the with Readytech for resolution. Management is actively working on resolving this matter with urgency. This is related to the No2 item of the findings above.

Finding seven

Quotations

Recommendation

The Shire should implement a formal quotation evaluation form and require documentation for deviations from purchasing policy. This will help ensure consistent compliance and justified supplier selection.

Management Comment

The suppliers are WALGA Preferred Suppliers and are capable of delivering the required scope of work within the specified timeframe. After evaluating all available options, we determined that these two providers are best positioned to deliver the quality of work we require. While price is an important factor, it is not the sole consideration—value and quality remain our priorities.

Management has endeavoured to obtain three quotations as per Purchasing policy, however, not all suppliers have responded to the Shire's Requests for Quotation, hence decisions to award without the required number of quotations. Management acknowledges, the need to adequately document the full reasons for non-compliance to the Purchasing policy.

Notwithstanding the above, Management takes note of the auditor's recommendations to the above findings and will implement detailed documentation in future tenders to support the rationale for non-policy requirement fulfilment and selection of winning tender for reference and audit purposes.

Finding eight

Long Outstanding Receivables

Recommendation

The Shire should follow up long outstanding debts and ensure rate payers make payments as agreed with the Shire.

Management Comment

The Shire has put in place both internal and external debt recovery mechanisms. Where the Shire can not recover using own resources, external debt collectors are engaged. Management is in the process of engaging new external debt collectors with contemporary efficiencies.

Finding nine

Corporate Credit Card

Recommendation

Formal credit card agreements should be signed by cardholders and retained.

Management Comment

Management acknowledges this gap and formal agreements between cardholders and the Shire have been signed. Staff will provide additional comment on the Findings and an update of actioning recommendations at the meeting.

Finding ten

Superannuation Guarantee (SG) contributions and PAYG deductions

Recommendation

The payroll officer should ensure that SG contributions and PAYG deductions are correct before the payroll is processed and the officer who reviews the calculations should also take the responsibility to ensure that payroll calculations are accurate.

The Shire should ensure that all deductions from employee's remuneration are supported by adequate documentation.

Management Comment

System processing errors identified and have since been corrected. Shire will ensure stringent review systems are implemented.

Finding eleven

Pensioner Rebates

Recommendation

Pensioner rebates should be calculated correctly by the rates officer and the officer reviewing the Rate Notices should ensure that the rebates are calculated correctly before issuing the Rate Notices to the rate payers.

Management Comment

To obtain the Pension Rebate a person must own and reside in the property from 1 July each year. Note that the rebate is calculated on pro-rata basis and is automatically updated by the system. This has been corrected and updated.

Management will implement stringent review processes to eliminate such errors.

Finding twelve

Rental Income

Recommendation

The rental should be charged based on the approved 2024-25 fees and charges rates and the possibility of recovering the rental under charged should be considered.

Management Comment

New Fees and charges applicable to the period were not updated in the system after adoption. Updated fees and charges to be applied. Management making rigorous checks and reviews to ensure accuracy in future.

Finding thirteen

Tender Register

Recommendation

The Shire should indicate the successful tenderer in the Tender Register when tenders are awarded in order to be compliant with the Regulation.

Management Comment

Tender Register will be updated accordingly to reflect the auditor recommendation.

Consultation

OAG / Auditors

Manisha Barthakur, Chief Executive Officer

Solomon Mwale, Manager of Corporate Services

Ben Forbes, Manager of Infrastructure and Projects

Policy Implications

Nil

Strategic Implications

Strategic Community Plan

Community Priority: Our Organisation

Objective: We are recognised as a transparent, well governed, and effectively managed Local Government

Outcome: 5.3

Reference: 5.3.2

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Statutory Implications

The *Local Government (Audit) Regulations 1996* provides the legislative framework for the conduct of audits in local government, and the role of the Audit & Risk Committee in considering the results of those audits.

Risk Implications

Risk Profiling Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Category	Compliance
Risk Description	No noticeable regulatory or statutory impact
Consequence Rating	Minor (2)
Likelihood Rating	Unlikely (2)
Risk Matrix Rating	Low (4)
Key Controls (in place)	Governance Management Framework; Governance Calendar
Action (Treatment)	Document Governance Framework
Risk Rating (after treatment)	Adequate

Financial Implications

Nil

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution – 7.1

Moved: Cr Trepp

Seconded: Cr Ward

1143

That, in accordance with the *Local Government (Audit) Regulations 1996*, the Audit, Risk and Improvement Committee:

1. Receives the Auditor's Interim Audit Findings Report, as presented in Attachment 7.1B, from Macri Partners Chartered Accountants for the 2024/25 financial year;
2. Notes the Management Comment and Actions taken to address the Findings contained in the Auditor's Interim Audit Management Report; and
3. Recommends to Council that it receives the Auditor's Interim Audit Findings Report, as presented in Attachment 7.1B, from Macri Partners Chartered Accountants for the 2024/25 Interim Audit.

CARRIED 4/0

For: Ms T Jones, Cr Trepp, Cr Hudson, Cr Ward

Please note: the Audit & Risk Committee does not have delegated authority to make decisions. All recommendations of the Audit & Risk Committee are presented to Council for ratification.

8.	Questions from Members
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Nil

9.	Urgent Business Approved by the Person Presiding or by Decision
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Nil

10.	Date of the Next Meeting
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12 August 2025 – 1pm commencement

To be confirmed

11.	Closure
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The Chair thanked those in attendance and declared the Meeting closed at 1:17pm