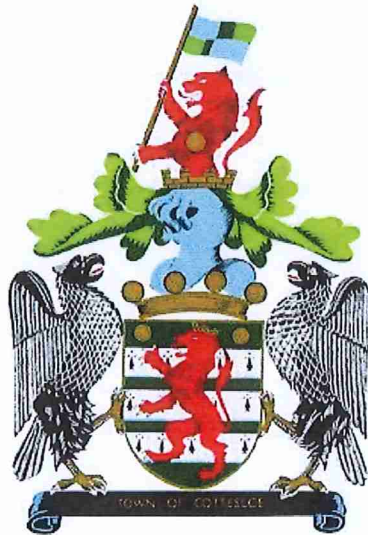


# TOWN OF COTTESLOE



## AUDIT COMMITTEE

# UNCONFIRMED MINUTES

AUDIT COMMITTEE  
HELD IN THE  
Mayor's Parlour, Cottesloe Civic Centre  
109 Broome Street, Cottesloe  
4:30 PM Monday, 17 March 2025

A handwritten signature in black ink, appearing to read 'W. Matthew Scott', is positioned above the printed name.

**WILLIAM MATTHEW SCOTT**  
Chief Executive Officer

21 March 2025

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**1 DECLARATION OF MEETING OPENING/ANNOUNCEMENT OF VISITORS**

The Presiding Member announced the meeting opened at 4.33pm.

**1.1 ACKNOWLEDGEMENT OF COUNTRY**

I would like to begin by acknowledging the Whadjuk Nyoongar people, Traditional Custodians of the land on which we meet today, and pay my respects to their Elders past and present. I extend that respect to Aboriginal and Torres Strait Islander peoples here today.

**2 DISCLAIMER**

The Presiding Member drew attention to the Town's Disclaimer.

**3 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION**

Nil

**4 ATTENDANCE****Members**

Mayor Lorraine Young	Elected Member
Cr Helen Sadler	Elected Member
Cr Sonja Heath	Elected Member
Cr Jeffrey Irvine	Elected Member
Mr Andrew Dimsey	Community Representative
Mr Ian McKenzie	Community Representative

**Officers**

Mr Matthew Scott	Chief Executive Officer
Vicki Cobby	Director Corporate and Community Services
Sheryl Teoh	Finance Manager
Ms Magda Domanska	Executive Services Officer

**Visitors**

NIL

**Apologies**

Mr Nathan Hart	Community Representative
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**5 DECLARATION OF INTERESTS**

6 CONFIRMATION OF MINUTES

AC004/2025

Moved Cr Irvine

Seconded Mr Dimsey

That the Minutes of the Audit Committee Meeting held on Friday 7 February 2025 be confirmed as a true and accurate record.

Carried 6/0

7 PRESENTATIONS

Nil

8 REPORTS

8.1 REPORTS OF OFFICERS

**8.1.1 COMPLIANCE AUDIT RETURN 2024**

**Directorate:** Corporate and Community Services  
**Author(s):** Vicki Cobby, Director Corporate and Community Services  
**Authoriser(s):** William Matthew Scott, Chief Executive Officer  
**File Reference:** D25/10394  
**Applicant(s):**  
**Author Disclosure of Interest:** Nil

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**SUMMARY**

With Council's approval, the Mayor and Chief Executive Officer are required to certify the 2024 Audit Compliance Return so that it may be lodged to the Department of Local Government by the due date of 31 March 2025.

**OFFICER RECOMMENDATION IN BRIEF**

That for Audit Committee endorse and recommend that Council adopt the 2024 Compliance Audit Return and authorise the Mayor and Chief Executive Officer to certify the Return so that it may be returned to the Department of Local Government and Communities by the due date of 31 March 2025.

**BACKGROUND**

Each year the Department of Local Government issues a Compliance Audit Return that covers a sample of legislative provisions required under the provisions of the *Local Government Act 1995*, which is required to be completed by staff and endorsed by Council prior to submission.

The Compliance Audit Return (CAR) covers 11 different categories and each category can have anywhere from 2 to 24 questions, with 94 questions in total.

**OFFICER COMMENT**

The Compliance Audit Return for 2024 has been completed and it is recommended to be endorsed by the Audit Committee and for Council to adopt and further, authorise the Mayor and Chief Executive Officer to certify the Return so that it can be forwarded to the Department of Local Government and Communities.

There were three items of non compliance raised in completing the Compliance Audit Return, as detailed below;

1. In regards to *Local Government Act 1996* s5.96A(1)(f), the minutes of the Sea View Golf Club Advisory Committee of 8 October 2024, were not published within the required timeframe, due to an administrative error. This was self reported to the Department Local Government, Sport and Cultural Industries by the CEO on 3 December 2024.
2. In regards to *Local Government (Functions and General) Regulations 1996* r14(5), there was an incidence where a tenderer had been provided advice regarding a tender that was not available to all tenderers. Once discovered the tender process was cancelled and a new tender was issued.

3. In regards to *Local Government (Functions and General) Regulations 1996* r16, there was an incidence where an officer had assisted in submitting a tender. Once discovered the tender process was cancelled and a new tender issued.

## **ATTACHMENTS**

8.1.1(a) Compliance Audit Return 2024 [under separate cover]

## **CONSULTATION**

Senior Staff.

## **STATUTORY IMPLICATIONS**

*Local Government Act 1995*

s3.59,

s5.16,17,18,36,37,42,44,45,46,51,57,58,67,68,69,70,71,73,75,76,77,87,88,89,90,96,104,120,  
121,127,128

s6.2,3

s7.1,9,12,

*Local Government (Audit) Regulations 1996* r.10,14,15,17

*Local Government (Administration) Regulations 1996* – r.18,19,21,22,23

*Local Government (Functions and General) Regulations 1996*

r.11,12,13,14,16,17,18,19,21,22,23,24

*Local Government (Financial Management) Regulations 1996* r.5

## **POLICY IMPLICATIONS**

There are no perceived policy implications arising from the officer's recommendation.

## **STRATEGIC IMPLICATIONS**

This report is consistent with the Town's *Council Plan 2023 – 2033*.

Priority Area 4: Our Leadership and Governance - Strategic leadership providing open and accountable governance.

Major Strategy 4.3: Deliver open, accountable and transparent governance.

## **RESOURCE IMPLICATIONS**

Resource requirements are in accordance with the existing budgetary allocation.

## **ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS**

There are no perceived sustainability implications arising from the officer's recommendation.

**VOTING REQUIREMENT**

Simple Majority

**AC005/2025**

**OFFICER AND COMMITTEE RECOMMENDATION**

Moved Cr Sadler

Seconded Cr Irvine

**THAT the Audit Committee**

**ENDORSES and RECOMMENDS that Council ADOPT the 2024 Compliance Audit Return and AUTHORISES the Mayor and Chief Executive Officer to certify the Return so that it may be returned to the Department of Local Government and Communities by the due date of 31 March 2025**

Carried 6/0



**8.1.2 AUDIT COMMITTEE RESOLUTION DATABASE**

**Attachments: 8.1.2(a) Audit Committee Resolution Database 2025 [under separate cover]**

The Audit Committee Resolution Database provides an update on Council resolutions put forward by the Audit Committee since the previous meeting and resolutions linked to their Charter. This is provided for information.

**8.1.3 MID-YEAR BUDGET REVIEW 2024/25**

**Directorate:** Corporate and Community Services  
**Author(s):** Sheryl Teoh, Finance Manager  
**Authoriser(s):** William Matthew Scott, Chief Executive Officer  
Vicki Cobby, Director Corporate and Community Services  
**File Reference:** D25/10401  
**Applicant(s):**  
**Author Disclosure of Interest:** Nil

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**SUMMARY**

In accordance with statutory requirements, the Audit Committee is presented with the mid-year budget review for the financial year ending 30 June 2025 for its consideration and recommendation on adoption by Council.

**OFFICER RECOMMENDATION IN BRIEF**

It is recommended that the Audit Committee recommend to Council the receipt of the Budget Review for the Financial Year 2024/25 and the adoption of the amendments contained therein.

**BACKGROUND**

Each year Council is presented with a mid-year budget review, comparing actual financial results with budget predictions for the year to date. This allows performance against the budget to be measured, and if required, amendments to be made.

The mid-year review process also allows for factors that were not known at the time of forming the budget to be incorporated into the budget. This may be a change in the operating environment of the Council, funding opportunities not previously known or projects that were not included in original 2024/25 budget.

Previously adopted budget amendments in 2024/25 are included in the updated budget estimates, including amendments adopted for the Sculptures by the Sea event that increased the cash surplus by \$65,000.

**OFFICER COMMENT**

The 2024/25 Budget was adopted by Council on 20 August 2024, with a balanced cash surplus, based on an estimated surplus of \$2,212,225 at the start of the financial year. The actual end-of-year surplus for 2023/24, after the adopted Annual Financial Report, was \$3,331,494, resulting in a net surplus at the start of the financial year of \$1,119,269.

This end of year surplus is attributed to (rounded):

- Additional operating grants \$250,000
- Additional fees and charges \$135,000
- Additional interest revenue \$70,000

- 
- Savings in employee costs \$100,000
  - Savings in materials and contracts \$140,000
  - Savings in utility expenses \$75,000
  - Less additional finance costs (\$50,000)
  - Savings in other expenses \$400,000

The current Budget Review proposes a net Budget Amendment of \$36,726. After this proposed amendment, the estimated end-of-year surplus for 2024/25 is projected to be \$101,726.

The proposed amendments include new projects that are to be considered and approved by Council, these are listed below.

- New Capital Projects (total new Capital \$250,000):
  - Brixton Street Resurfacing (\$15,000)
  - Marine Parade (Forrest Street) Speed Cushions (\$11,000)
  - Marine Parade Crossings Line Marking Removal and Re-Installation - Forrest Street, Napier Street, John Street and Eric Street (\$30,000)
  - Marine Parade Shared Path Upgrade (\$0)\*
  - John Black Dune Park Drink Fountain (\$65,000)
  - Harvey Field Cricket Net Renewal (\$8,000)
  - Harvey Field Basketball Hoop Renewal (\$6,000)
  - Office Refurbishment Stage 2 (\$115,000)
- New Operating Project (total new operating \$23,257):
  - Urban Canopy Program - Perth to Fremantle Stage 3 (23,257)

\*The Marine Parade Shared Path upgrade amendment is fully offset with an amendment for grant funding.

All material budget amendments, those above the materiality threshold of \$25,000 are listed in **ATTACHMENT B**, all other immaterial amendments are totalled by nature category as per the Statement of Budget Review in **ATTACHMENT A**.

The total Reserve movement contained in these amendments increase the Town's Reserves by \$387,529 by allocating \$200,000 to compliment the \$4.175 million grant from the Federal Active Transport Fund (ATF) to upgrade the entire length of the Marine Parade Path (Curtin – North), and increasing our Leave reserve by \$50,000 to decrease the deficit compared to our leave liability. Also, a transfer of \$60,000 to our IT reserve is for variations required to deliver key user training of the new ERP and to increase the scope to include a much needed Human Resources module. Other increases in the reserves are due to an increase in interest earned on our reserve investments.

For details on the variances shown on the Statement of Budget Review (**ATTACHMENT A**) please see note 4 – Predicted Variances in the same attachment.

**ATTACHMENTS**

- 8.1.3(a) 2024/25 Mid Year Budget Review [under separate cover]  
8.1.3(b) 2024/25 Mid Year Budget Review - List of material budget amendments  
[under separate cover]

**CONSULTATION**

As a part of the preparation of the Budget Review senior staff have been consulted.

**STATUTORY IMPLICATIONS**

*Local Government Act 1995*

*Local Government (Financial Management) Regulations 1996 r33A*

**POLICY IMPLICATIONS**

There are no perceived policy implications arising from the officer's recommendation.

**STRATEGIC IMPLICATIONS**

This report is consistent with the Town's *Council Plan 2023 – 2033*.

Priority Area 4: Our Leadership and Governance - Strategic leadership providing open and accountable governance.

Major Strategy 4.3: Deliver open, accountable and transparent governance.

**RESOURCE IMPLICATIONS**

The Budget Review has been conducted in house from existing resources.

**ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS**

There are no perceived sustainability implications arising from the officer's recommendation.

**VOTING REQUIREMENT**

Absolute Majority

**AC006/2025**

**OFFICER AND COMMITTEE RECOMMENDATION**

Moved Cr Heath

Seconded Mr McKenzie

**THAT the Audit Committee by absolute majority**

1. **RECEIVES** the Budget Review for the Financial Year 2024/25;
2. **NOTES** that Council will consider the following new projects separately:
  - (a) Brixton Street Resurfacing (\$15,000)
  - (b) Marine Parade (Forrest Street) Speed Cushions (\$11,000)

- (c) Marine Parade Crossings Line Marking Removal and Re-Installation - Forrest Street, Napier Street, John Street and Eric Street (\$30,000)
  - (d) Marine Parade Shared Path Upgrade (\$0)
  - (e) John Black Dune Park Drink Fountain (\$65,000)
  - (f) Harvey Field Cricket Net Renewal (\$8,000)
  - (g) Harvey Field Basketball Hoop Renewal (\$6,000)
  - (h) Office Refurbishment Stage 2 (\$115,000)
  - (i) Urban Canopy Program - Perth to Fremantle Stage 3 (\$23,257)
3. NOTES the net proposed Budget Amendments of \$36,726
- (a) Increase to operating revenue of \$43,197
  - (b) Increase to operating expenditure of \$368,545
  - (c) Decrease to capital revenue of \$2,596
  - (d) Increase to capital expenditure of \$355,012
  - (e) Decrease to transfers from Reserve \$26,268
  - (f) Increase to lease liability expenses of \$12,058
  - (g) Increase to transfer to Reserve of \$361,261
  - (h) Increase to opening balance of \$1,119,269.
4. Notes the estimated cash surplus at 30 June 2025 of \$101,726 subject to Council consideration of Points 2 and 3.

Carried by Absolute Majority 6/0

**8.2 ITEMS FOR DISCUSSION****8.2.1 COMPLIANCE CALENDAR**

**Attachments:**   **8.2.1(a) Compliance Calendar - 2024 [under separate cover]**  
                          **8.2.1(b) Compliance Calendar - 2025 [under separate cover]**

The Compliance Calendar has been adapted specifically for the Town of Cottesloe from the WALGA model to govern best practices across the calendar year.

The Compliance Calendar is provided for the information of the Audit Committee.

### 8.2.2 ERP PROJECT UPDATES

**Attachments:** 8.2.2(a) Project Steering Committee Meeting 21 February 2025 Agenda slides [under separate cover]

The ERP Project Updates report is to provide an update to the Audit Committee on the progress of the project.

The Town of Cottesloe Datascape Implementation Project Steering Committee Meeting agenda slides from the 21 February 2025 have been attached.

#### Project Milestones and Status

As demonstrated in the attachment, there has been delays in 11 of the 22 work streams, they have been absorbed into contingency timelines and none have impacted on the Go Live date. The number of delays have raised the status to “Amber” as contingency timelines diminish.

The contributing factors that have contributed to these delays are;

- Staff turnover in key roles: Project Sponsor (Director Corporate and Community Services), Senior Users – 5 of the 5 senior users were not involved at the beginning of the project (Manager Finance, Manager Building & Health, Manager Customer & Community Services, Manager Planning Services, Coordinator Ranger Services), Business Analyst, Change Manager.
- Extended vacancies in the key roles above.
- Business as usual priorities taking time away from project time.

All of the above roles are now filled with permanent employees, except for the Change Manager, where the contractor has been replaced with a new contractor.

Where business as usual has caused significant and unrecoverable delays, some resourcing has been provided to supplement existing staff.

In the Finance team, there is no longer capacity to perform business as usual and the Town will require further assistance for the creation of the 2025/2026 annual budget. The mid-year budget review has allocated an increase to consultancy expense to facilitate this assistance. Alternatively, or in conjunction with, the Town could consider labour hire to increase oversight and control in house.

The adopted annual budget for the project is \$666,209 and our year to date actual spend is \$344,976 with another \$321,759 in commitments (totalling \$666,735). We have required minor variations to the scope to provide additional training to employees as required, leading to a request in the mid-year budget review for an additional \$31,000.

**8.2.3 REFORMS TO AUDIT COMMITTEES - LOCAL GOVERNMENT AMENDMENT BILL 2024**

**Attachments: 8.2.3(a) Reforms to Governance and Committees [under separate cover]**

The Local Government Amendment Bill 2024 (the Bill) proposes to change the Local Government Act 1995 (the Act) to provide for various reforms, including the establishment of a new Local Government Inspector (the Inspector) and monitors that can provide for early intervention and assist local governments in resolving dysfunction.

In addition to the Inspector and monitor reforms, a range of other second tranche reforms are being introduced that focus on good governance and decision-making at council and committee meetings including changing audit committees to have an improved focus as “audit, risk and improvement committees” that are independently chaired, with greater clarity on how council committees should operate.

Audit committees will be revised as audit, risk and improvement committees (ARICs). ARICs must have an independent presiding member to ensure a level of neutrality and impartial oversight in chairing these meetings. An independent presiding member must be a person who is not a council member of a local government or an employee of the local government. If a deputy presiding member is appointed, they must also be independent.

The introduction of an independent presiding member provides an opportunity for increased community confidence in a local government’s financial and risk management. Local government operations may also benefit through appointing an independent chair with risk and financial management expertise that may otherwise be unavailable.

This reform reflects modern governance practices in State Government authorities and agencies as well as private corporations.

In relation to the current Act, an audit committee is required to be established comprising 3 or more persons appointed by absolute majority by a local government. Most of the members must be council members. The CEO or a local government employee cannot be a member.

Under the proposed amendments in the Bill, an ARIC now requires an independent presiding member. A local government can choose to appoint an independent deputy presiding member to chair the meeting if the independent presiding member is unable to do so.

If a local government chooses not to nominate a deputy presiding member, the council will need to appoint an independent proxy to chair the meeting should the need arise.

Smaller local governments may also now choose to share an ARIC to reduce the burden on their resources.

The Bill includes changes to allow for greater transparency and clarity on how council committees operate.

Council can now establish committees that have either an advisory or decision-making function and are generally open to the public.

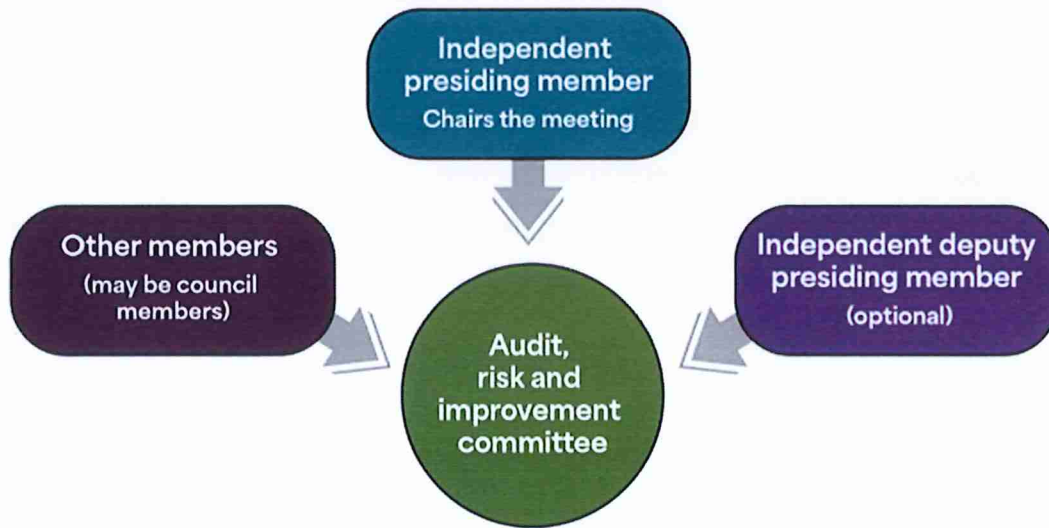
The appointment process for the presiding member and deputy presiding member has also been simplified. Councils will appoint these roles, instead of the committee electing those roles by secret ballot.



Local governments are still able to establish informal working groups, which are not committees, to engage with their community or develop ongoing networks.

### Audit, risk and improvement committee model

The new audit, risk and improvement committee will comprise the following roles, with a total of 3 or more members.



### Actions to follow

The changes to the Audit Committee Charter, the name of the committee and the election of the new presiding member and deputy presiding member (if required) will be addressed and actioned by Council at the Ordinary Council Meeting on 27 May 2025.

**9 GENERAL BUSINESS****9.1 COMMITTEE MEMBERS****9.2 OFFICERS****10 MEETING CLOSED TO PUBLIC****10.1 MATTERS FOR WHICH THE MEETING MAY BE CLOSED****AC007/2025****MOTION FOR BEHIND CLOSED DOORS****Moved Cr Sadler****Seconded Cr Irvine**

That, in accordance with Section 5.23(2) (f(ii)), the discuss the confidential reports behind closed doors.

**Carried 6/0**

*The meeting was closed to the public at 5:40pm, however no members of the public or media were in attendance.*

**10.1.1 AUDIT ACTIONS REGISTER**

This item is considered confidential in accordance with the *Local Government Act 1995* section 5.23(2) (f(ii)) as it contains information relating to a matter that if disclosed, could be reasonably expected to endanger the security of the local government's property.

**10.1.2 RISK REGISTER UPDATE**

This item is considered confidential in accordance with the *Local Government Act 1995* section 5.23(2) (f(ii)) as it contains information relating to a matter that if disclosed, could be reasonably expected to endanger the security of the local government's property.

**AC008/2025****MOTION FOR RETURN FROM BEHIND CLOSED DOORS****Moved Cr Heath****Seconded Cr Irvine**

In accordance with Section 5.23 that the meeting be re-opened to members of the public and media and motions passed behind closed doors be read out if there are any public present.

**Carried 6/0**

*The meeting was re-opened to the public at 5:50pm, however no members of the public or media were in attendance*

**11 NEXT MEETING**

26 May 2025 at 4:30pm

**12 MEETING CLOSURE**

The Presiding Member announced the meeting closed at 5:51pm.

