

# AGENDA

## **Audit and Governance Committee Meeting Wednesday 10 December 2025**

### **NOTICE OF MEETING**

Dear Committee Member

The next meeting of the Audit and Governance Committee will be held at 3:30 pm on Wednesday 10 December 2025, in the Council Chamber, Administration Building, 48 Old Perth Road, Bassendean.



Cameron Woods  
**CHIEF EXECUTIVE OFFICER**

5 DECEMBER 2025

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## **1 Declaration Of Opening; Acknowledgment of Country; Acknowledgment of Visitors; Disclaimer**

### **Acknowledgement of Country**

The Town of Bassendean acknowledges the Whadjuk people of the Noongar Nation as the Traditional Custodians of this land. We pay our respects to Elders past and present, and acknowledge their continuing culture and the contribution they make to the region.

## **2 Announcements by the Presiding Member without Discussion**

## **3 Attendances, Apologies and Leave of Absence**

### Committee Members

Cr Hayden Long (Presiding Member)  
Cr Kathryn Hamilton, Mayor  
Cr Jamayne Burke  
Ms Sasha Rademakers (Community Member)

### Officers

Ms Amanda Alderson, Director Corporate Services  
Mr Dale Ballantyne, Manager Governance & Strategy  
Mr Tristan Loney, Manager Information and Technology  
Ms Jo Burges, Special Projects

### Advisor to the Committee

Mr Ron Back

### Guests

Ms Caitlin McGowan, Office of the Auditor General

### Apologies

Ms Waruni De Silva, Manager Financial Services  
Mr Cameron Palassis, Executive Director, Paxon  
Mr Ian Ekins, Associate Director, Paxon

### Public

**4 Declarations of Interest**

**5 Presentations or Deputations**

**6 Questions and Statements from Members of the Public**

**7 Confirmation of Minutes**

| <b>7.1 Confirmation of Minutes – 11 June 2025</b> |  |
|---|--|
| <b>Attachments</b>                                | 1. Audit and Governance Committee 11 June 2025 UNCONFIRMED MINUTE [7.1.1 - 14 pages] |

**Officer Recommendation – Item 7.1**

That the minutes of the Audit and Governance Committee meeting held on 11 June 2025 be received and confirmed as a true and correct record.

**Voting requirements: Simple Majority**

| <b>7.1 Confirmation of Minutes – 10 September 2025</b> |  |
|--|--|
| <b>Attachments</b>                                     | 1. Audit and Governance Committee 10 September 2025 Unconfirm (1) [7.2.1 - 26 pages] |

**Officer Recommendation – Item 7.1**

That the minutes of the Audit and Governance Committee meeting held on 10 September 2025 be received and confirmed as a true and correct record.

**Voting requirements: Simple Majority**

## 8 Business Deferred from Previous Meeting

## 9 Reports

| 9.1 Audited Financial Statements for the year ended 30 June 2025 |   |
|--|---|
| Property Address   | N/A   |
| Landowner/Applicant  | N/A   |
| File Reference   | FIMN/AUD/7  |
| Department   | Corporate Services,   |
| Previous Reports   | N/A   |
| Authority/Discretion   | <b>Legislative</b><br>Includes adopting local laws, local planning schemes & policies.  |
| Attachments  | <ol style="list-style-type: none"> <li>1. Town of Bassendean - Annual Financial Statements 30 June 2025 [9.1.1 - 53 pages]</li> <li>2. Opinion - Town of Bassendean - 30 June 2025 [9.1.2 - 3 pages]</li> <li>3. CONFIDENTIAL REDACTED - Audit Completion Report - Town of Bassendean - 30 June 2025 Confidential Attachment 1 [9.1.3 - 18 pages]</li> <li>4. CONFIDENTIAL REDACTED - Final Management Letter Confidential Attachment 2 - Town of Bassendean - 30 June 2025 [9.1.4 - 2 pages]</li> <li>5. CONFIDENTIAL REDACTED - Final Management Letter Confidential Attachment 3 - Town of Bassendean - 30 June 2025 [9.1.5 - 18 pages]</li> </ol> |

### Purpose

The purpose of this report is to provide the Audit and Governance Committee with Audited Annual Financial Statements for the year ended 30 June 2025 and the associated attachments for endorsement.

### Background

The Audit and Governance Committee received the Office of the Auditor General (OAG) Audit Planning Memorandum at its meeting on 11 June 2025. The primary purpose of the Audit Planning Memorandum was to brief the Town on OAG's proposed approach to auditing the Town's financial report for the year ending 30 June 2025.

The audit is now complete and the Audited Annual Financial Statements are hereby presented to the Audit and Governance Committee.

## Proposal

For the Committee to:

- Endorse the Audited Annual Financial Statements for the year ended 30 June 2025 (**Attachment 1**)
- Receive the Independent Auditor's Report (**Attachment 2**)
- Note the matters contained in the Auditor's Closing Report (**Confidential Attachment 1**)
- Note the findings identified during the Financial Audit & the Information Technology General Controls Audit, Management Letter and management responses to those findings (**Confidential Attachment 2 & 3**).

## Communication and Engagement

The Town and OAG maintained regular communication throughout the audit. The OAG audit team attended the Town for three weeks in October 2025 to conduct the audit fieldwork, with additional documents and information provided by the Town through to the completion of the audit.

## Strategic Implications

### Performance Area 5: Performance

9.1 Continuously improve operational performance and service delivery.

### Comment

The OAG has issued the Independent Auditor's Report expressing the opinion that the Town's financial report:

- Is based on proper accounts and records
- Presents fairly, in all material respects, the results of the operations of the Town for the year ended 30 June 2025 and its financial position as at that date
- Is in accordance with the *Local Government Act 1995* (the Act) and to the extent that they are not inconsistent with the Act, the Australian Accounting Standards.

An emphasis-of-matter paragraph has been included in the Auditors' report for 2024/25, referring to changes in the ownership structure of the Eastern Metropolitan Regional Council.

For the Financial Audit, one minor audit finding was identified.

For the Information Technology General Controls Audit, 15 findings were identified, with one rated "significant", 12 rated "Moderate" and 2 rated "Minor".

This reflects a substantial increase compared to the 2024 audit. This is the first year that the OAG has directly audited Information Technology General Controls using their own principal audit team and internal framework, resulting in more rigorous and comprehensive audit testing and over two months of fieldwork.

The Information Technology General Controls audits in 2022 through 2024 were undertaken by RSM on behalf of the OAG. Of the 8 findings in the prior year audit (5 Moderate and 3 Minor), 5 have been closed during this year's audit (2 Moderate and 3 Minor) demonstrating continued improvement and implementation of prior recommendations.

The OAG team found 12 new findings (1 Significant, 9 Moderate and 2 Minor) and noted that three (3) prior year Moderate findings remain open, with no change in the rating.

In response to the findings, the Town acknowledges that a significant program of work and investment will be required to implement the OAG's recommendations. A program of responses and improvement activities is planned through to December 2026, taking into account the Town's capacity and budget constraints. Further detail is provided within the management responses (Confidential Attachment 3).

The Town continues to deliver improvements to its cyber security policies, procedures and technical controls through its partnership with the Office of Digital Government's (DGov) Cyber Security Unit and the Department of Local Government, Industry Regulation and Safety. The pilot project runs to June 2026 and aims to develop a roadmap to systematically reduce cyber security risks. An IT Security Framework is being developed as part of this initiative and will address several of the audit findings.

### **Statutory Requirements**

The Audit and Governance Committee meets at least four times each year in accordance with the Audit and Governance Committee Charter (the Charter). The Charter specifies the authority, objectives, responsibilities, membership and meetings of the Committee.

*Local Government (Audit) Regulations 1996*, Regulation 16, sets out the functions of an audit committee including:

- (a) *to guide and assist the local government in carrying out -*
  - (i) *its functions under Part 6 of the Act; and*
  - (ii) *its functions relating to other audits and other matters related to financial management.*
- (b) *to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act.*
- (c) *to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to —*
  - (i) *report to the council the results of that review; and*

- (ii) *give a copy of the CEO's report to the council.*
- (d) *to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —*
  - (i) *regulation 17(1); and*
  - (ii) *the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c).*
- (e) *to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government.*
- (f) *to oversee the implementation of any action that the local government —*
  - (i) *is required to take by section 7.12A(3);*
  - (ii) *has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a);*
  - (iii) *has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and*
  - (iv) *has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c).*
- (g) *to perform any other function conferred on the audit committee by these regulations or another written law*

## **Financial Considerations**

Prior to the audit, the OAG estimated its audit fee at \$64,000. The OAG has advised that a fee variation will be applied due to the additional work undertaken during the audit.

## **Risk Management Implications**

### Financial Risk

Medium

### Reputational

Medium

Risks are detailed in the Auditor's Closing Report and Management Letter (**Confidential Attachments 1 and 2**).

## **Declaration of Conflicts of Interest**

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

### **Officer Recommendation – Item 9.1**

That the Committee:

1. Recommends that Council endorse the Audited Annual Financial Statements for the year ended 30 June 2025 (**Attachment 1**).
2. Receives the Independent Auditor’s Report (**Attachment 2**).
3. Receives the Auditor’s Closing Report (**Confidential Attachment 1**).
4. Notes the findings identified during the Financial Audit and the Information Technology General Controls Audit, together with the Management Letter and management responses to those findings (**Confidential Attachment 2 & Confidential Attachment 3**).

**Voting requirements: Simple Majority**

| <b>9.2 Audit Findings Log</b> |  |
|-------------------------------|--|
| <b>Property Address</b>       | N/A  |
| <b>Landowner/Applicant</b>    | N/A  |
| <b>File Reference</b>         | GOVN/CCLMEET/1   |
| <b>Department</b>             | Corporate Services   |
| <b>Previous Reports</b>       | 10 September 2025  |
| <b>Authority/Discretion</b>   | <b>Executive</b><br>The substantial direction setting and oversight role of the Council. |
| <b>Attachments</b>            | 1. CONFIDENTIAL REDACTED - Dec 2025 Audit Findings Log New Format (1) [9.2.1 - 17 pages] |

### **Purpose**

The purpose of this report is to provide the Audit and Governance Committee with the Town's Audit Findings Log, with updated actions since the meeting of the Committee on 10 September 2025.

### **Background**

The Audit Findings Log presents a summary of the audit findings and recommendations made in recent internal and external audit reports relating to the Town and provides an update on actions taken or proposed to address the recommendations.

### **Proposal**

For the Audit and Governance Committee to receive the Audit Findings Log and consider the action taken or proposed to address the recommendations.

### **Communication and Engagement**

Nil.

### **Strategic Implications**

#### **Performance Area 5: Performance**

9.1 Continuously improve operational performance and service delivery.

### **Comment**

The Audit Findings Log has been updated to include the findings and recommendations from completed External and Internal Audits undertaken with

additional management comments on action taken or proposed to address the recommendations.

### **Statutory Requirements**

Local Government (Audit) Regulations 1996, Regulation 16, states:

An audit committee has the following functions —

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

### **Financial Considerations**

Implementation of some audit recommendations may require additional funds and will be the subject of separate budget submissions as and when required. The Town's Purchasing Policy and Procurement Framework will govern any required engagements.

## **Risk Management Implications**

### Compliance

Medium

### Environmental

Low

### Financial Risk

Low

### Reputational

Low

Risk implications are detailed in the Audit Findings Log.

## **Declaration of Conflicts of Interest**

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

## **Officer Recommendation – Item 9.2**

That the Audit and Governance Committee receive the Audit Findings Log and notes the action taken or proposed to address the recommendations.

## **Voting requirements: Simple Majority**

| <b>9.3 Office of the Auditor General (OAG) - Update</b> |  |
|---|--|
| <b>Property Address</b>                                 | N/A  |
| <b>Landowner/Applicant</b>                              | N/A  |
| <b>File Reference</b>                                   | FINM/AUD/14  |
| <b>Department</b>                                       | Office of the CEO,   |
| <b>Previous Reports</b>                                 |  |
| <b>Authority/Discretion</b>                             | <b>Information</b><br>For the Council/Committee to note.                                   |
| <b>Attachments</b>                                      | 1. TOB Audit and Governance Committee - OAG Standing Agenda Item (12-25) [9.3.1 - 9 pages] |

### **Purpose**

The purpose of this report is for Council to note the update received from the Office of the Auditor General (OAG).

### **Background**

The Office of the Auditor General (OAG) periodically provides updates to local governments on matters relating to financial audits, accounting and auditing standards, and other sector-relevant issues.

### **Communication and Engagement**

Nil.

### **Strategic Implications**

#### **Performance Area 5: Performance**

9.1 Continuously improve operational performance and service delivery.

### **Comment**

The update from the Office of the Auditor General is provided as a standing item for the Committee's information. While no specific action is required, the report offers ongoing insights into sector-wide developments and audit-related matters.

### **Statutory Requirements**

Nil.

## **Financial Considerations**

Nil.

## **Risk Management Implications**

### Compliance

Low

### Environmental

Low

### Financial Risk

Low

### Reputational

Low

## **Declaration of Conflicts of Interest**

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

## **Officer Recommendation – Item 9.3**

That the Committee notes the update from the Office of the Auditor General as provided in the Attachment to this report.

## **Voting requirements: Simple Majority**

| <b>9.4 Legislative Compliance Policy</b> |   |
|--|---|
| <b>Property Address</b>                  | N/A   |
| <b>Landowner/Applicant</b>               | N/A   |
| <b>File Reference</b>                    | GOVR/POLCY/1  |
| <b>Department</b>                        | Office of the CEO,  |
| <b>Previous Reports</b>                  |   |
| <b>Authority/Discretion</b>              | <b>Executive</b><br>The substantial direction setting and oversight role of the Council.  |
| <b>Attachments</b>                       | <ol style="list-style-type: none"> <li>1. FINAL DRAFT Legislative Compliance Policy [9.4.1 - 5 pages]</li> <li>2. FINAL DRAFT Governance Framework 2025 [9.4.2 - 54 pages]</li> </ol> |

### **Purpose**

The purpose of this report is for the Audit and Governance Committee to consider the Legislative Compliance Policy and accompanying Legislative Framework for recommendation to Council for adoption (Policy) and endorsement (Framework).

### **Background**

The Audit and Governance Committee (Committee) received the Regulation 17 Internal Audit Review, prepared by the Town's internal auditors Paxon at the 12 March 2025 meeting of the Committee.

The Committee considered the recommendations therein and the management action proposed by the Town.

Audit Finding 7.1 related to the development and implementation of a formalised compliance framework and/or processes to manage the Town's legislative compliance requirements.

Based on this finding the following documents have been developed to complement the Compliance Calendar currently in use by the Town, to inform the requirements of, but not limited to, the annual Compliance Audit Report:

1. Legislative Compliance Policy, and
2. Governance Framework

The draft Legislative Compliance Policy and draft Governance Framework are attached to this report

## **Proposal**

For the Audit and Governance Committee to recommend to Council the endorsement of the:

1. Legislative Compliance Policy, and
2. Governance Framework

## **Communication and Engagement**

Development and review of the documentation included liaison within the Office of the CEO, and an item to the Corporate Management Committee (CMC) for consideration, review and approval to proceed to the Audit and Governance Committee.

## **Strategic Implications**

### **Performance Area 5: Performance**

9.1 Continuously improve operational performance and service delivery.

## **Comment**

The Legislative Compliance Policy (attached) supports the Town's recognition of the importance of compliance with legislative requirements in maintaining trust and meeting community expectations.

This policy establishes processes and structures to integrate legislative obligations into the Town's operations effectively. It aims to cultivate a compliance culture that empowers all Council Members, employees and relevant interested parties to fulfill their obligations while aligning with the Town's strategic objectives and capabilities.

The Governance Framework (attached) ensures that the Town is compliant and accountable in how it manages its processes and relationships with stakeholders. It commits to the principles of good governance as defined by the WA Public Sector Commission:

1. Roles and Responsibilities
2. Management and Oversight
3. Organisational Structure
4. Operations
5. Ethics and Integrity
6. People
7. Finance
8. Communication
9. Risk Management

Further, the Governance Framework:

- provides clear guidelines for the roles of the Council, Chief Executive Officer, and employees and ensures that all responsibilities are properly allocated and discharged by those accountable
- develops a culture of best practice in relation to governance processes
- assists the Council and CEO in delivering good governance
- meets its compliance requirements
- enables processes throughout the Town by setting guidelines, and
- provides an induction tool for new employees.

Once endorsed by Council the Legislative Compliance Policy will be placed on the Town's Website with the final Governance Framework produced in line with the Town's design and branding.

### **Statutory Requirements**

*Local Government Act 1995*

*Local Government (Audit) Regulations 1996*

### **Financial Considerations**

Nil.

### **Risk Management Implications**

Compliance

Medium

Environmental

Low

Financial Risk

Low

Reputational

Medium

### **Declaration of Conflicts of Interest**

All officers involved in the preparation of this report have considered and determined that they do not have a conflict of interest in the matter.

### **Officer Recommendation – Item 9.4**

That the Audit and Governance Committee recommend that Council endorse the:

- 1.Legislative Compliance Policy, and
- 2.Legislative Framework.

**Voting requirements: Absolute Majority**

### **10 Motions of Which Previous Notice Has Been Given**

### **11 Announcements of Notices of Motion for the Next Meeting**

### **12 Confidential Business**

### **13 Closure**

The next Audit and Governance Committee will be held on Wednesday 11 March 2026 commencing at 5.30pm.