

MINUTES

Audit, Risk and Improvement Committee Meeting
Wednesday, 05 November 2025

These Minutes are Subject to Confirmation

Prior to acting on any resolution of the Council contained in these minutes, a check should be made of the Ordinary Meeting of Council following this meeting to ensure that there has not been a correction made to any resolution.



Information

Committee Meeting Agenda are run in accordance with the City of Nedlands Standing Orders 2016. If you have any questions in relation to the agenda, procedural matters, addressing the Committee or attending these meetings please contact the Governance Officer on 9273 3500 or governance@nedlands.wa.gov.au

Public Question Time

Public question time at a Committee Meeting is available for members of the public to ask a question about items on the agenda. Questions asked by members of the public are not to be accompanied by any statement reflecting adversely upon any Committee Member or Employee.

Questions should be submitted via the online form available on the City's website: [Public question time | City of Nedlands](#)

Questions may be taken on notice to allow adequate time to prepare responses, and all answers will be published in the minutes of the meeting.

Addresses by Members of the Public

Members of the public may make presentations or ask questions on items contained within the agenda. Presentations are limited to 3 minutes. Members of the public must complete the online registration form available on the City's website: [Public Address Registration Form | City of Nedlands](#)

The Presiding Member will determine the order of speakers to address the Council, and the number of speakers is to be limited to 2 in support and 2 against any item on a Committee Meeting Agenda. The Public address session will be restricted to 15 minutes unless the Council, by resolution decides otherwise.

Disclaimer

Members of the public who attend Committee Meetings should not act immediately on anything they hear at the meetings, without first seeking clarification of Council's position. For example, by reference to the confirmed Minutes of Committee Meeting. Members of the public are also advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

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1. DECLARATION OF OPENING

I am now pleased to declare this Audit Risk and Improvement Committee Meeting of the City of Nedlands open at 12.03pm.

The City of Nedlands acknowledges the traditional custodians of this land, the Whadjuk people of the Nyoongar Nation, and pay our respects to culture and Elders, past and present. The City of Nedlands also values the contributions made to the community over the years by people of diverse backgrounds and cultures, including those who have served and sacrificed.

2. PRESENT AND APOLOGIES AND LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

Members

Mr D Caddy
Ms B Sandri
Ms C Hart
Mr C Murphy
Mr C Adams

Chair Commissioner
Deputy Chair Commissioner
Commissioner
Independent Member (Chair)
Independent Member (Online)

Staff

Mr A Kyron
Mr J Vojkovich
Mr A Van Rooyen
Ms M Chambers
Ms T Douglas

Acting Chief Executive Officer
Acting Director Corporate Services
Chief Information Officer
Senior Governance Officer
Executive Officer to CEO (Minutes)

Public

0

Media

0

3. PUBLIC QUESTION TIME

Nil

4. ADDRESSES BY MEMBERS OF THE PUBLIC

Nil



5. DISCLOSURES OF FINANCIAL INTEREST

Nil

6. DISCLOSURES OF INTERESTS AFFECTING IMPARTIALITY

Nil

7. DECLARATIONS BY MEMBERS THAT THEY HAVE NOT GIVEN DUE CONSIDERATION TO PAPERS

Nil

8. CONFIRMATION OF MINUTES

Officer Recommendation and Decision

The Minutes of the Audit Risk and Improvement Committee Meeting held Wednesday, 01 October 2025 are to be RECEIVED.

Moved: C Adams

Seconded: Commissioner Caddy

CARRIED: UNANIMOUSLY 5-0

For: Commissioner Caddy, Commissioner Sandri, Commissioner Hart, C Murphy, C Adams

Against: Nil



9. AUDIT

9.1 Update on 2024/25 Audit and Annual Report

| | |
|-------------------------------|---|
| Report Number | ARC96.11.25 |
| Applicant | City of Nedlands |
| Disclosure of Interest | Nil |
| Voting Requirements | Simple Majority |
| Authority/Discretion | Information |
| Contributing Officer | Mark Ponton – Acting Coordinator Accounting Services |
| Responsible Officer | John Vojkovich - Acting Director Corporate Services |
| Director | John Vojkovich - Acting Director Corporate Services |
| Attachments | Attachment 1 – CONFIDENTIAL Attachment 2 – CONFIDENTIAL Attachment 3 – CONFIDENTIAL |

Purpose

This report is for the Committee to be updated on key correspondence and preparation relating to the audit of the City's financial report for the year ended 30 June 2025.

Officer Recommendation

The Committee:

1. **RECEIVES** the report on the status update on the 2024/25 Financial Audit.
2. **RECEIVES** the draft financial report for the year ending 30 June 2025.

Moved: Commissioner Hart

Seconded: Commissioner Sandri

Commissioner Sandri proposed an Amended Motion

Amended Motion

The Committee:

1. **RECEIVES** the report on the status update on the 2024/25 Financial Audit.
2. **RECEIVES** the draft financial report for the year ending 30 June 2025.
3. Draft documentation due to the OAG 15 November 2025 is to be **REVIEWED** by all ARIC members prior to its submission.

Reason:

To clarify the process and responsibilities of ARIC.

Moved: Commissioner Sandri

Seconded: Commissioner Hart

CARRIED: UNANIMOUSLY 5-0



For: Commissioner Caddy, Commissioner Sandri, Commissioner Hart, C Murphy, C Adams
Against: Nil

Substantive Decision

The Committee:

- 1. RECEIVES the report on the status update on the 2024/25 Financial Audit.**
- 2. RECEIVES the draft financial report for the year ending 30 June 2025.**
- 3. Draft documentation due to the OAG 15 November 2025 is to be REVIEWED by all ARIC members prior to its submission.**

Reason:

To clarify the process and responsibilities of ARIC.

Moved: Commissioner Sandri

Seconded: Commissioner Hart

CARRIED: UNANIMOUSLY 5-0

For: Commissioner Caddy, Commissioner Sandri, Commissioner Hart, C Murphy, C Adams
Against: Nil

Background

The Office of Auditor General (OAG) has held responsibility for auditing the financial statements of the City since 2018/2019. The 2022/23 audit was contracted to RSM and that relationship continues to the current financial year. For the current financial year an audit fee of \$156,000 is being proposed to complete the work.

The Administration worked with RSM on the interim audit activities which were substantially completed during June 2025. Outstanding interim audit items have now been rolled into the final audit items schedule.

In terms of Section 5.53 of the *Local Government Act 1995* (Act) local governments are required to prepare an Annual Report for each financial year. The preparation of an Annual Report not only meets regulatory requirements and reflects good governance but is also one of the fundamental ways in which the local government communicates with community and stakeholders about performance over the financial year.

The Act and other Regulations set out the statutory content and the high-level processes and timeframes for the acceptance of the Annual Report by the local government, and for communication and engagement with the electorate, community and stakeholders, through notice, publishing and engagement at an Electors Meeting.



Discussion

OAG Audit of the 2024/25 Financial Report

Attachment 1 contains the current status of audit activities. Activities relating to the preparation of the financial report are described further in the section below and in Attachment 3.

RSM had scheduled final audit field work to commence on 17 November 2025. A planning memorandum including a timetable forms part of the materials for the entrance meeting with OAG which has been scheduled with ARIC on 5 November 2025.

Draft 2024/25 Financial Report

The OAG has requested that ARIC review the draft financial report before it is provided to the auditor, which should occur before the commencement of the audit field work in mid-November 2025.

The Finance Department has made good progress improving the standards of the financial reporting over the past few months however there are further improvements to be made in relation to development of standard processes and checklists. The Acting Director is planning to engage additional resources during November 2025 to assist with documenting procedures and developing an accounting manual.

It should be noted that work on the June 2025 accounts did not commence until late August 2025. This is because normal processing following the Authority outage did not recommence until 18 June 2025 after which the processing for the months of April, May and June 2025 needed to occur. Furthermore, work on the 2024/25 financial report did not commence until mid-September 2025 due to the 2023/24 financial audit not being completed until 3 September 2025.

The ARIC should note that the draft financial report is not fully completed but is at an appropriate standard to permit the auditor to commence their review. Some further remedial work will continue up until the due date of 17 November 2025 which will include accommodating any feedback from ARIC together with the items listed in Attachment 3. It is proposed that briefing notes will be provided to ARIC as progress is made.

The ARIC should note that the draft financial report can be found in Attachment 2.

Matters of interest (in summary, not exhaustive):

- Statement of Comprehensive Income: revenue and expenditure are broadly consistent with budget and prior year; loss on disposal and revaluations mostly relate to recognising disposals from prior financial years since the City has not reconciled asset positions since 2023.
- Statement of Financial Position: The balances are broadly consistent with prior year except for higher borrowings to fund underground power costs prepaid by the City and a higher cash position which is described under Statement of Cash Flows



- Statement of Cash Flows: Closing cash has increased due to lower payments for infrastructure and higher borrowings than in the prior year.
- Statement of Financial Activity: operating activities are broadly consistent with budget and prior year variances against budget except for loss on asset disposals; capital grants and asset acquisitions were lower than budget and/or prior year; in combination this explains the surplus being lower than budget.
- Note 2(b): Auditor remuneration includes FY24 adjustments and additional work up to June 2025.
- Note 5: Trade receivables: Impairment charge of \$165k on long term outstanding infringements and other debtors
- Note 4: Other financial assets – to be completed
- Note 8 and 9: Recognises a split for specialised assets (for a particular purpose such as swimming pools or sporting facilities with no equivalent comparator), non-specialised assets (commercial type buildings which are comparable in the market) and vested improvements (buildings on Crown land); similar levels of acquisition and depreciation; accounting treatment from disposal of assets has been recognised.
- Note 11: Leases – this note is incomplete; potential impact of \$50k expense
- Note 16: no revaluations in 2024/25 due to asset registers being recompiled; needs to recommence in 2025/26
- Note 17: Notes to statement of CF – to be finalised on completion of other notes
- Note 20(b): KMP only includes Executives; requires completion
- Note 21: Financial risk management – requires completion
- Note 23: Function and activity: broadly consistent with prior year
- Note 25: Determination of surplus: requires completion
- Note 27: Broadly consistent with budget and prior year

Preparation of the 2024/25 Annual Report

The City is in the preliminary stages of preparing the Annual Report for 2024/25, as per the *Local Government Act* and Regulations. A detailed planning document will be provided at the next ARIC meeting.

Consultation

The draft Financial Report 2024/25 was reviewed by the Executive Management Team prior to presentation to the ARIC.

Relevant Officers and Directors will be engaged to prepare the draft Annual Report 2024/25 in accordance with the detailed planning document which will be provided at the next ARIC meeting. The draft Annual Report 2024/25 will be reviewed by the Executive Management Team before it is presented to the Council.



Strategic Implications

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

| | |
|----------------|--|
| Vision | Sustainable and responsible for a bright future |
| Pillar | Performance |
| Outcome | 11. Effective leadership and governance. |

Budget/Financial Implications

Nil

Legislative and Policy Implications

In terms of Section 5.53. of the Local Government Act 1995 (Act) local governments are required to prepare an Annual Report for each financial year. The preparation of an Annual Report not only meets regulatory requirements and reflects good governance but is also one of the fundamental ways in which the local government communicates with community and stakeholders about the City's' performance over the financial year.

The Act and other Regulations set out the statutory content and the high-level processes and timeframes for the acceptance of the Annual Report by the local government, and for communication and engagement with the electorate, community and stakeholders, through notice, publishing and engagement at an Electors Meeting.

Decision Implications

Nil

Conclusion

Nil

Further Information

Nil

Commissioner Sandri left Council Chambers at 12.18pm.



9.2 OAG – Audit Issues Log

| | |
|-------------------------------|---|
| Report Number | ARC97.11.25 |
| Applicant | City of Nedlands |
| Disclosure of Interest | Nil |
| Voting Requirements | Simple Majority |
| Authority/Discretion | Information |
| Contributing Officer | Andrew Van Rooyen – Chief Information Officer Mark Ponton – Acting Coordinator Accounting Services |
| Responsible Officer | John Vojkovich - Acting Director Corporate Services |
| Director | John Vojkovich - Acting Director Corporate Services |
| Attachments | Attachment 1 – CONFIDENTIAL Attachment 2 – CONFIDENTIAL Attachment 3 – CONFIDENTIAL |

Purpose

The purpose of this report is to provide the Audit Risk and Improvement Committee (ARIC) with an update on progress with remediating the audit observations made by the OAG during the audit of the Financial Report for 2023/24.

Officer Recommendation and Decision

The Committee RECEIVES the report on the status update on the City's OAG Audit Issues Log.

Moved: Commissioner Caddy

Seconded: Commissioner Hart

CARRIED: UNANIMOUSLY 4-0

For: Commissioner Caddy, Commissioner Hart, C Murphy, C Adams

Against: Nil

Background

At the ARIC meeting held on 06 August 2025 (Report ARC79.08.25) resolved to request that a report be provided to the September 2025 ARIC meeting for an audit log with all observations to be included, a status update, responsible position and expected completion date. The were transferred to a schedule and progress will be reported to each ARIC meeting.

Discussion

The Administration has prepared the schedule containing all observations from the 2023/24 audit which includes items from prior years that were not observed by the auditor to be complete. Attachment 1 (Finance) and Attachment 2 (Information



Systems) each contain a schedule which describes the observation, risk rating, current status, percentage completion and associated dates.

As at the date of this report, none of the 7 issues for Finance were complete and 2 of the 7 ICT general observations were complete. The remaining items are in progress or under review to determine appropriate actions.

The Administration has consulted with the OAG to determine an approach to closing out the audit issues. The OAG has advised that the Administration may choose its own method to close out an issue and record it as such in its records, however the OAG will independently review evidence of completion during a subsequent audit. Attachment 3 contains the guidance from the OAG on this point.

Strategic Implications

This item is strategically aligned to the City of Nedlands Council Plan 2023-33 vision and desired outcomes as follows:

| | |
|----------------|--|
| Vision | Sustainable and responsible for a bright future |
| Pillar | Performance |
| Outcome | 11. Effective leadership and governance. |

Budget/Financial Implications

Nil

Legislative and Policy Implications

Nil

Decision Implications

Nil

Conclusion

Nil

Further Information

Nil



10. MAJOR PROJECTS

Nil



11. RISK

Nil



12. CONFIDENTIAL ITEMS

Nil



13. ANY OTHER BUSINESS

Nil



14. DATE OF NEXT MEETING

Officer Recommendation and Decision

The date of the next meeting of the Audit, Risk and Improvement Committee Meeting is Wednesday, 03 December 2025 at 12.00pm.

CARRIED: UNANIMOUSLY 4-0



15. DECLARATION OF CLOSURE

There being no further business, the Presiding Member declared the meeting closed at 12.25pm.