

MINUTES

Special Council Meeting

Wednesday, 12 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

A Special Council Meeting Agenda is 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 Council 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 an Ordinary Council 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 Council Member, 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.

Disclaimer

Members of the public who attend Council 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 Council 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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Table of Contents

- 1. DECLARATION OF OPENING4
- 2. PRESENT AND APOLOGIES AND LEAVE OF ABSENCE (PREVIOUSLY APPROVED).....4
- 3. PUBLIC QUESTION TIME.....5
- 4. DISCLOSURES OF INTEREST5
- 5. DECLARATIONS BY MEMBERS THAT THEY HAVE NOT GIVEN DUE CONSIDERATION TO PAPERS6
- 6. MATTERS FOR WHICH THE MEETING MAY BE CLOSED6
- 7. DIVISIONAL REPORTS7
 - 7.1 Approval of 2023/24 Audit Fees7
- 8. CONFIDENTIAL ITEMS.....25
 - 8.1 Underpayment of Staff (CONFIDENTIAL).....25
 - 8.2 Update on Litigation Claim (CONFIDENTIAL).....27
- 9. DECLARATION OF CLOSURE29



1. DECLARATION OF OPENING

I am now pleased to declare this Special Meeting of the Council of the City of Nedlands open at 5.00pm.

Good evening to everyone in the gallery tonight and those online.

As the Commissioners sit as the Council, we are also available to receive feedback from the community and I am very pleased to say that at our very successful Remembrance Day Service yesterday, I was approached by many people who acknowledged the positive change the Commissioners have brought with the City's administration providing positive and excellent customer service in their recent interactions with Council, so we thank those who have taken the time to communicate to date and encourage engagement from all members of the community by attending Council meetings or contacting us via our Commissioners email at commissioners@nedlands.wa.gov.au

With respect to the items on the agenda tonight, I am advised by the CEO that he has reached out and met with the ASU to open the dialogue to discuss the matter of underpayment of staff.

I wish to remind those seeking to ask questions to focus on issues and not individuals and be respectful in approach. I also remind those in attendance that we may not be able to respond to questions that relate to matters considered confidential under section 5.23 of the Local Government Act nor questions that we determine as not being in good faith.

Finally, I wish to advise observers that Commissioners may refer to technical devices, such as phones and laptops, throughout the meeting to assist them in considering the information before them.

In opening the meeting, the City 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.

This meeting is being live streamed and recorded, and I refer you to the disclaimer on page 2 of the agenda.

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

Commissioners

Mr D Caddy

(Presiding Member)

Ms B Sandri

(Deputy)

Ms C Hart

(Commissioner)



Staff

Ms A Kyron
Mr J Vojkovich
Mr B Thompson
Mr S Famiano
Ms T Douglas

Acting Chief Executive Officer
Acting Director Corporate Services
Director Planning and Development
Manager Urban Planning
Executive Officer to CEO (minutes)

Apologies

Ms A Walsh
Mr S Amasi
Mr A Van Rooyen
Mr J Allen

Principal Consultant (DLGIRS)
Director Technical Services
Chief Information Officer
Coordinator Governance, Legal and Risk

Leave of Absence

Nil

Public

1

Media

1

3. PUBLIC QUESTION TIME

Rebecca Coghlan | Bulimba Road, NEDLANDS

Question 1:

Can the commissioners or administration provide a rough estimate on the overall financial impact of the FY23 disclaimer in terms of additional very high audit fees, additional staff resources, and other direct costs as the impact appears to run in many hundreds of thousands of dollars if not half a million dollars?

Acting Director Corporate Services

Response:

Based on the FY23 audit, the opinion issued was a disclaimer for the OAG. Since then, audit fees have increased significantly. Assuming a typical audit fee would be around \$95,000–\$100,000 per year, the fees for the last three years have averaged about \$290,000 above that baseline. The highest fee was \$276,000 in FY24, which included additional work related to FY23. For an initial estimate, we can consider \$290,000 as the additional cost across FY23, FY24, and FY25, with a projected fee of \$150,000 for the current year, though this is expected to increase.

4. DISCLOSURES OF INTEREST

Interest was advised to be declare during the confidential and closed section of the agenda.



Commissioner Sandri declared an impartial interest for item 8.2, Update on Litigation Claim

Reason:

The nature of the interest is that the person is known to me professionally. As a consequence, there may be a perception that my impartiality on the matter that may be affected. I declare that I will consider this matter on its merits and vote accordingly.

Commissioner Caddy declared an impartial interest for item 8.2, Update on Litigation Claim

Reason:

The nature of the interest is that the person is known to me professionally. As a consequence, there may be a perception that my impartiality on the matter that may be affected. I declare that I will consider this matter on its merits and vote accordingly.

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

Nil

6. MATTERS FOR WHICH THE MEETING MAY BE CLOSED

For the convenience of the public, the following Confidential items are identified to be discussed behind closed doors, as the last items of business at this meeting:

- **Item 8.1: Underpayment of Staff**
- **Item 8.2: Update on Litigation Claim**



7. DIVISIONAL REPORTS

7.1 Approval of 2023/24 Audit Fees

Report Number	CPS47.11.25
Applicant	City of Nedlands
Disclosure of Interest	Nil
Voting Requirements	Absolute Majority
Authority/Discretion	Executive
Contributing Officer	John Vojkovich – Acting Director Corporate Services
Responsible Officer	Arthur Kyron – Acting Chief Executive Officer
Director	Arthur Kyron – Acting Chief Executive Officer
Attachments	Attachment 1 – OAG Invoice Request Attachment 2 – Memorandum Updated Purchasing Authorities and Certification of Invoices Attachment 3 – Advice on Accounting Treatment

Purpose

The purpose of this report is to seek Council authorisation for the payment of the 2023/24 audit fee to the Office of Auditor General for \$276,357.

Officer Recommendation and Council Decision

That Council **AUTHORISES** the payment of \$276,357 (excluding GST) to the Office of Auditor General relating to the performance of the 2023/24 audit.

Moved: Commissioner Sandri

Seconded: Commissioner Hart

CARRIED BY ABSOLUTE MAJORITY: UNANIMOUSLY 3-0

For: Commissioner Caddy, Commissioner Sandri, Commissioner Hart

Against: Nil

Background

All references to expenditure in this report are exclusive of GST unless otherwise stated.

The Office of Auditor General (OAG) completed the financial audit for the year ending 30 June 2024 in September 2025.

Ordinarily, the audit is completed and the fee paid in the subsequent financial year. Due to the audit for 2023/24 not being completed until September 2025, the audit fee invoice will be issued 2 financial years after the end of the financial year being audited.



An indicative fee of \$145,900 was originally quoted to the City for the completion of the 2023/24 financial audit. Following the completion of the interim audit in mid-2024, the OAG advised that additional costs of \$68,000 were required due to opening balance work. Following the completion of the final audit in September 2025 due to difficulties sourcing material and the provision of multiple iterations of the draft financial report, additional costs of \$62,457 were incurred bringing the total fee for the 2023/24 audit to \$276,357 (**Attachment 1**).

Discussion

The reasons for the delayed completion of the 2023/24 audit relates to:

- Late completion of the 2022/23 financial report caused by the City's inability to produce appropriate records to support the amounts stated in the financial report together with the auditor's concerns about the valuations of non-current assets which resulted in the auditor issuing a disclaimer of opinion;
- An increased level of complexity that required much more time to resolve matters relating to the prior year disclaimer of opinion issued by the auditor in the 2022/23 reporting period which resulted in the first draft of the 2023/24 financial report not being provided to the auditor until early December 2024;
- Throughout 2024 and to April 2025 the City had a high turnover of staff including the departure of key staff with knowledge of the 2023/24 financial year. The audit preparation was not recommenced until February 2025, and multiple iterations of the financial report were issued through to late April 2025 which further hampered review by the auditor. The scheduled completion of the audit had been set for April 2025; and
- Due to issues associated with the Authority outage throughout April and May 2025, the new CFO appointed in mid-April 2025 was unable to give attention to the ongoing issues with the financial report until late May 2025. The financial report was then completely reworked and brought to audit quality standard, with the final draft of the financial report provided to the auditor in late June 2025.

During the 2024/25 year-end reconciliation process, it was identified that the audit fee reported in 2023/24 did not include an accrual for the full value of the audit. The cost of the financial audit for 2023/24 totals \$276,357, and is represented as follows-

Item	Amount	Accrued*	Paid
Original indicative fee	\$145,900	\$82,139	0
mid-2024 additional costs	\$68,000	0	0
September 2025 additional costs	\$62,457	0	0
	=====	=====	=====
2023/24 audit fee	\$276,357	\$82,139	0

*Accrual in 2024/25 accounts for the 2023/24 audit to be an additional \$182,000.

Details of payment of \$276,357.

Account	AFR Note	2023/24	2024/25	Total
Expenditure account audit fees	2(b)	82,139dr	194,218dr	276,357dr



Trade and other payables	12	82,139cr	194,218cr	276,357cr
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The payment to the OAG of \$276,357 will be made from the Statement of Financial Position account "Trade and other payables".

Based upon current estimates the audit fee reported for the 2024/25 financial report will be \$157,000. With the accrual for the 2023/24 audit of \$194,218 this brings the total expenditure for audit fees to \$351,218 to be shown in the 2024/25 expense account.

Consultation

Based upon current estimates the audit fee reported in the 2024/25 financial report will be \$351,218 and presented with a split between 2023/24 \$194,218 and 2024/25 \$157,000. The treatment described under 'Discussion' is consistent with the advice on accounting treatment provided by the Department of Local Government and contained in Attachment 3. The OAG has also confirmed that the proposed approach to accrue and split the fee in the financial report is acceptable and consistent with the City's accounting policies.

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

The payment will result in a funding shortfall of \$194,218, arising from the final account of \$276,357 which culminates in increasing the current liabilities in the Statement of Financial Position by \$194,218. This will be reflected in a reduced opening position in the 2025/26 annual budget.

This 2025/26 budget shortfall is to be considered in the mid-year budget review to be undertaken as at 31 December 2025.

Legislative and Policy Implications



The City's Procurement of Goods and Services Policy require the authorisation of expenditure to be in accordance with the procurement requirements and associated policies and procedures. A Memorandum update to the procurement policy issued by the CEO in 2024 sets the limits for purchasing authority and invoice certification which limits the CEO limit to a maximum of \$250,000 unless previously delegated by the Council (**Attachment 2**).

6.8. (1) Expenditure from municipal fund not included in annual budget

A local government is not to incur expenditure from its municipal fund for an additional purpose except where the expenditure —

- (a) is incurred in a financial year before the adoption of the annual budget by the local government; or
- (b) is authorised in advance by resolution*; or
- (c) is authorised in advance by the mayor or president in an emergency.

* Absolute majority required.

Decision Implications

A budget shortfall of \$194,218 in 2025/26 opening position will arise as a result of this payment, which will be addressed in the mid-year budget review to be undertaken in January 2026.

Conclusion

The City is obligated to pay the Office of Auditor General (OAG) for audit services provided.

Further Information

Nil

From: FINADMIN [REDACTED]

7.1 - Attachment 1

Sent: Tuesday, 14 October 2025 9:14 AM

To: Accounts Payable [REDACTED]

[REDACTED]

Subject: FW: PO- City of Nedlands

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognise the sender and know the content is safe. If suspicious REPORT to IT.

Hi Alyce, Khai,

We refer to the below, please advise if the PO has been raised for \$276,357 ex GST (as detailed), for our invoicing City of Nedlands.

Indicative audit fee	\$ 145,900 (excl GST)
Additional fee	\$ 130,457 (excl GST)
Total	\$ 276,357 (excl GST)

Feel free to reach out to us if you have any queries.

Thank you.

Kind Regards,

Jennifer Tiong

Finance Officer | Corporate Services

Office of the Auditor General for Western Australia

[REDACTED]



To: Tony Free, Acting Chief Executive Officer

From: Nicole Ceric, Executive Officer

Cc: Finance, Procurement and Contracts, Human Resources, IT and Governance.

Date: 23 February 2024

Subject: Updated Purchasing Authorities and Certification of Invoices

In accordance with the Council Policy – Procurement of Goods and Services section 8 – Thresholds following is an updated schedule of officers with authority to sign purchase orders and certify invoices.

Please find below the details of the changes required to be made:

Includes

- Supervisor Facilities Maintenance - \$10,000 requisition approval limit.

Purchasing Authorities & Certification of Invoices

All purchase orders and invoices must be approved by an Authorised Purchasing Officer.

The Chief Executive Officer has delegated authority to appoint purchasing officers. In accordance with Section 5.44 of the *Local Government Act 1995*.

The following officers are authorised as Purchasing Officers:

- Chief Executive Officer
- Director Corporate Services
- Director Planning & Development
- Director Technical Services
- Executive Officer
- Manager Building Services
- Manager Community Development
- Manager City Projects and Programs
- Manager Financial Services
- Manager Health & Compliance
- Manager Human Resources
- Manager Parks Services
- Manager Urban Planning



- Manager Assets
- Manager ICT
- Asset Management Coordinator
- Building Maintenance Coordinator
- Library Services Coordinator
- PRCC Coordinator
- Tresillian Coordinator
- Workshop Coordinator
- Coordinator Community Development
- Coordinator Communications and Engagement
- Coordinator City Projects
- Senior Accountant Financial Services
- Coordinator Revenue
- Information Technology Governance Coordinator
- Coordinator Civil Maintenance
- Waste Minimisation Coordinator
- Technical Services Projects and Administration Officer
- Corporate Planning and Performance Coordinator
- Coordinator Governance & Risk
- Financial Accountant
- Coordinator Building Services
- Supervisor Facilities Maintenance

Approval thresholds

1. For purchases up to \$10,000, purchase orders and authorisation of invoices require the approval of an Authorised Purchasing Officer.
2. For purchases up to \$15,000 purchase orders and authorisation of invoices require the approval of a Coordinator or other City officer as per operational need and CEO approved.
3. For purchases of \$15,001 and over but less than \$40,000, purchase orders and authorisation of invoices require the approval of the Manager of that department or other City officer as per operational need and CEO approved.
4. For purchases of \$40,001 and over but less than \$80,000, purchase orders and authorisation of invoices require the approval of the Executive Manager of that department or Director.
5. For purchases of \$40,001 and over but less than \$100,000, purchase orders and authorisation of invoices require the approval of the Director of that department or Chief Executive Officer.



6. For purchases of \$100,001 and over but less than \$249,999, purchase orders and authorisation of invoices require the approval of the Chief Executive Officer.
7. For purchases of \$250,000 and over, conduct a public tender process and contract to be awarded by Council or Chief Executive Officer by delegated authority to the successful tender.

Notes:

1. Any variation to the above approval limits must be approved by the CEO on a case by case basis.
2. Any officer who raises a purchase requisition cannot approve the resulting purchase order or authorise payment of the subsequent invoice.

Your approval of these changes is sought.

Kind regards

Nicole Ceric
Executive Officer

Tony Free
Acting Chief Executive Officer

23 February 2024

Date

John Vojkovich

From: Alan Carmichael [REDACTED]
Sent: Monday, 10 November 2025 2:29 PM
To: John Vojkovich
Cc: Jonathan Allen; Amy Walsh; Thalia Douglas
Subject: RE: Treatment of audit fees that exceed budget of a prior year

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Hi John

The payment is made from cash at bank. I would avoid saying it was from opening cash, as you might have already spent the cash you had on hand at 30 June 2025.

From a budget perspective, the unbudgeted amount of the OAG audit fee will reduce the closing position at 30 June of the year in which the amendment is made.

Regards

Alan Carmichael | Senior Project Officer
 Local Government

Department of Local Government, Industry Regulation and Safety

[REDACTED]
 [REDACTED]
 [REDACTED]
 [REDACTED]

From: John Vojkovich [REDACTED]
Sent: Monday, 10 November 2025 1:16 PM
To: Alan Carmichael [REDACTED]

[REDACTED]
 [REDACTED] that exceed budget of a prior year

Hi Alan

Thanks for your prompt response.

Key points:

- Some of the fees were previously accrued to FY24, the balance will be accrued to FY25, as per your previous recommendation (i.e. no adjustments to FY24 audited accounts)
- I will recommend that Council amends the FY25 budget to accommodate the request

I suspect they will still ask “where do the funds come from?” for expenditure incurred and budget applied in a prior year. I have tried to explain we already do this for all creditors who had balances at 30/06/2025 but were paid in FY2026. Do you agree that the response would be it is paid out of

opening cash (which was generated from prior year financial activities) and settles a liability (in this case an accrued expense at 01/07/2025 which was replaced by a creditor liability).

Kind regards
John

John Vojkovich

Acting Director Corporate Services



Administration Centre
71 Stirling Highway WA 6009
PO Box 9 Nedlands WA 6909
9273 3500
nedlands.wa.gov.au
yourvoice.nedlands.wa.gov.au



Remembrance Day Service 2025

Tuesday 11 November | 10.30am

[Click here for event info](#)



The City of Nedlands acknowledges the traditional custodians of this land, the Whadjuk people of the Noongar nation, and pays respect to the Elders both past and present.

From: Alan Carmichael [REDACTED]
Sent: Monday, 10 November 2025 12:48 PM
To: John Vojkovich [REDACTED]
[REDACTED]

[REDACTED] that exceed budget of a prior year

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognise the sender and know the content is safe.
If suspicious REPORT to IT.

Hi John

- Parliament appointed the Auditor General as the City's annual financial statement auditor therefore all payments should be made from the municipal fund.
- The city budgets for OAG audit fees every year, therefore the only question is about the quantum of the fee in relation to the budget, not whether it was for an approved purpose.
- When I look at the City's Statement of Financial Activity for the period ending 30 June 2025, Materials and Contracts are \$2.6 million over budget, so another \$201,000 is not so material.



City of Nedlands Statement of Financial

By Nature or Type
For the Period 01-Jul-2024 to 30-Jun

	Amended Budget	Amended Budget YTD	Actuals YTD	Var
Operating Activities				
Net current assets - Opening surplus/(deficit)	2,685,487	2,685,487	2,241,427	
Revenue				
Operating grants, subsidies and contributions	193,023	193,023	812,937	
Fees and charges	8,737,755	8,737,755	9,147,307	
Interest earnings	1,495,430	1,495,430	1,190,413	
Other revenue	221,265	221,265	409,428	
Profit on disposal of assets	220,821	220,821	390,376	
	10,868,294	10,868,294	11,950,461	
Expenses				
Employee costs	(15,650,697)	(15,650,697)	(16,306,382)	
Materials and contracts	(14,732,299)	(14,732,299)	(17,338,188)	
Utility charges	(856,644)	(856,644)	(971,685)	
Depreciation and amortisation	(9,206,862)	(9,206,862)	(9,133,304)	

My advice is that the 2024-25 or prior year budgets do not need a budget amendment to accrue the audit fees back into those years, but if council want to approve a budget amendment to a prior year, my advice is that it should only occur for 2024-25 as the audit for that financial year has not been finalised at this stage.

My earlier advice was to accrue the OAG audit fees back into 2024-25, but I note the recommendation to council was to post them back to 2023-24. Putting them back to 2023-24 is going to create more work and audit fees with a restatement of 2023-24 financials and subsequent audit of the restatement.

Suggested approach is just to get council to resolve that the OAG 2023-24 audit fee of \$276,000 be paid, but if council want a budget amendment, amend 2024-25 or 2025-26 to add another \$276,000 in audit fees. Note: If you amend the 2025-26 Budget for the 2023-24 audit fees, you will need to bring them to account in 2025-26.

Regards

Alan Carmichael | Senior Project Officer
Local Government

Department of Local Government, Industry Regulation and Safety
140 William St, Perth WA 6008
Locked Bag 14, Cloisters Square, Perth WA 6850

From: John Vojkovich [REDACTED]
Sent: Monday, 10 November 2025 10:29 AM
To: Alan Carmichael [REDACTED]

[REDACTED] that exceed budget of a prior year

Hi Alan

To my knowledge, the delegated authority for the CEO has no limit provided it is within budget (refer to Delegation 1.1.21). We are relying upon the approval limits that were published as part of City procedures (attached). The Memorandum was the document provided to the Council meeting.

In any case, the CEO requested this to be taken to Council for approval. The Commissioners have requested information relating to the funding mechanism (i.e. budget or other source) rather than the approval limit.

Kind regards

John

John Vojkovich

Acting Director Corporate Services



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From: Alan Carmichael [REDACTED]

Sent: Monday, 10 November 2025 8:39 AM

To: John Vojkovich [REDACTED]

[REDACTED] that exceed budget of a prior year

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognise the sender and know the content is safe.
If suspicious REPORT to IT.

Hi John

Can you provide me with the delegated authority document(s) (or link to) and the document referred to in the council meeting which restricts the CEO to \$250,000 expenditure (if it is not in the delegated authority documents)?

Regards

Alan Carmichael | Senior Project Officer
Local Government

Department of Local Government, Industry Regulation and Safety
140 William St, Perth WA 6008
Locked Bag 14, Cloisters Square, Perth WA 6850

From: John Vojkovich [REDACTED]

Sent: Friday, 7 November 2025 1:33 PM

To: Alan Carmichael [REDACTED]

[REDACTED] exceed budget of a prior year

Hi Alan

I am hoping you can provide some further guidance in relation to a question asked by the Commissioners on the FY24 audit fee. In effect, they are seeking to know from which “bucket” to pay the FY24 audit fee. Rather than me paraphrase, I suggest you watch the from 53:30

[Ordinary Council Meeting - 05 November 2025](#)

If you require a copy of the FY26 budget it is here:

[full-minutes-special-council-meeting-27-august-2025.pdf](#)

The FY24 audit fee was not accrued at the time of the FY26 budget being produced.

Once accrued, the audit fee will appear in the accrued expenses (current liability) and will reduce the actual carry forward surplus. However, there is no budget for these items, it is only the actuals that will change.

Kind regards

John

John Vojkovich
Acting Director Corporate Services



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From: Alan Carmichael [REDACTED]

Sent: Wednesday, 29 October 2025 10:41 AM

To: John Vojkovich [REDACTED]

[REDACTED] that exceed budget of a prior year

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognise the sender and know the content is safe. If suspicious REPORT to IT.

Hi John

Expenditure restatement or accounting adjustments that occur during the year end/audit process are all reported to Council (and Audit Committee) via receipt of the independent auditor's report and annual financial statements, which for Council is normally by accepting the Annual Report.

The annual budget provides the authority to incur expenditure, and it is acknowledged there will be under and over expenditure, plus there will also be under and overs with revenues. Budget amendments are required for new or expanded activities and programs, or material increases in capital works costs, but there is no prescribed requirement to align budget estimates with actuals. Even the prescribed budget review that must be presented to Council by 31 March each year, only requires a review be undertaken, plus an estimate provided for the actual closing position at 30 June.

In monitoring the budget, the estimated actual closing position at 30 June is important, as it becomes the estimated opening position in the following years annual budget. If there is major variance between the estimated opening position in the annual budget and the prior year's actual audited closing position, then it should be visible to officers/elected members and the public, as the monthly financial report presented to council has the actual opening position in the Statement of Financial Activity, and that figure should change as the financial statements are finalised for audit. Then once the audit is finalised the actual figure is locked in. Also, the monthly financial report requires an explanation of variances outside of the threshold set by Council. For example, if you do a journal for the extra \$62,000 in audit fees in October 2025 back into 2024-25, your actual closing position at 30 June 2025 will decrease by \$62,000 and that should show up in the Statement of

Financial Activity for 31 October 2025 and might generate a need to report the audit fee increase in the variance report.

With audit fees, they are budgeted expenditure, so there is no prescribed requirement to amend the budget if they increase/decrease. However as noted above, there are other avenues where Council can be informed of the increase without having to prepare a budget amendment item

Trust the above assists.

Regards

Alan Carmichael | Manager Local Government Financial Policy
Local Government

Department of Local Government, Industry Regulation and Safety

140 William St, Perth WA 6008

Locked Bag 14, Cloisters Square, Perth WA 6850

From: John Vojkovich [REDACTED]
Sent: Tuesday, 28 October 2025 6:51 PM

To: [REDACTED]

Subject: RE: Treatment of audit fees that exceed budget of a prior year

Hi Alan

Thanks for your prompt response it was very useful and helps both our Council reporting and financial reporting.

Are you able to shed any light on what happens when the approved budget is exceeded after the year has ended? For example, expenditure restatement or accounting adjustments that occur during the year end/audit process. Presumably, the Council needs to be formally notified of this event and corrective action taken? WALGA didn't have an answer for me.

Kind regards
John

John Vojkovich

Acting Director Corporate Services



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[REDACTED]
[REDACTED]
[REDACTED] that exceed budget of a prior year

[EXTERNAL EMAIL] DO NOT CLICK links or attachments unless you recognise the sender and know the content is safe.
If suspicious REPORT to IT.

Morning John

Please find advice from our Financial Policy team below.

Hope this assists.

Thanks

Amy

[REDACTED]
[REDACTED]
[REDACTED] of a prior year

Hi Amy

The City's independent auditor's report for 30 June 2024 reported:

CITY OF NEDLANDS
NOTES TO AND FORMING PART OF THE FINANCIAL REPORT
FOR THE YEAR ENDED 30 JUNE 2024

2. REVENUE AND EXPENSES (continued)

(a) Revenue (continued)

	2024	2023
	Actual	Actual
	\$	\$
Interest revenue		
Financial assets at amortised cost - self supporting loans	909	300
Interest on reserve account	441,628	305,158
Trade and other receivables overdue interest	242,468	160,898
Other interest revenue	488,229	410,165
	1,173,234	876,521
Fees and charges relating to rates receivable		
Charges on instalment plan	86,328	84,720

(b) Expenses

Auditors remuneration		
Office of the Auditor General		
- Audit of the Financial Report	214,689	59,775
Other auditors		
- Other services	9,130	152,857
	223,819	212,632

My advice is to expense the additional \$62,000 in the year ending 30 June 2025, which means it will have to be accrued and included in the draft financial statements they are currently being prepared to submit to the auditors. Further, with Note 2 (b) for the year ending 30 June 2025 they could display something like the following:

Office of the Auditor General	
- Additional fees 2023-24 financial audit	\$62,000
- 2024-25 financial audit	\$?????

As the year ending 30 June 2025 has finished, there is no need for council to make any budget amendments for the additional \$62,000.

The city has the option to adjust it in the year ending 30 June 2024, but that would require a restatement of the audited financial statements, and I do not recommend that option, as it would create additional audit expenses for the re-audit and create unnecessary additional work for a minor amount of money when you compare it to their total operating expenditure.

Regards

Alan Carmichael | Manager Local Government Financial Policy
 Local Government

Department of Local Government, Industry Regulation and Safety

140 William St, Perth WA 6008

Locked Bag 14, Cloisters Square, Perth WA 6850

From: Amy Walsh
Sent: Monday, 27 October 2025 4:23 PM

To: Alan Carmichael [REDACTED]
[REDACTED] a prior year

Hi Alan

Are you able to assist me with providing the information requested below?

Thanks

Amy

Subject: Treatment of audit fees that exceed budget of a prior year

Hi Amy

I have a report going to City of Nedlands OCM 05/11/2025 that contemplates the audit fees payable to OAG. The invoice for FY24 audit will be \$276k which is above the CEO approval authority. Dealing with the CEO approval is easy enough, however I expect the Council to ask a question on the budget impacts (the budget amount in FY24 was \$75k).

It is usual practice that the audit fees are accrued to the year being audited; in this case the accrual and adjustment totalling \$214k is occurring more than 12 months after the budget period has ended.

Issue 1

FY24 Budget \$75k Actual \$214k

The actual spend wasn't known until late 2024 so how does the City accommodate an overspend? Presumably, the budget for a prior year cannot be amended by Council once that year has finished.

Issue 2

FY25 Budget \$165k YTD Actual \$62k

Because the full audit fee wasn't accrued, there will be a budget shortfall of \$62k in FY25. This will require a budget adjustment at mid-year. I don't believe there is a need to make any adjustments now. Is there a suggested way to present this point?

I have reached out to WALGA for assistance however they advised it is an accounting question and suggested contacting the Department for guidance via you.

Are you able to connect me with someone at LGIRS who can assist?

Kind regards
John

John Vojkovich
Acting Director Corporate Services



8. CONFIDENTIAL ITEMS

REASON FOR CONFIDENTIALITY

This Report is **CONFIDENTIAL** in accordance with Section 5.23(2)(a) to (h), of the Local Government Act 1995 (LG Act) which provides that the Council may close to members of the public a meeting, or part of a meeting, if the meeting (or part meeting) deals with the following:

Item 8.1:

(a) a matter affecting an employee or employees; and

and

Item 8.2:

(d) legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting;

The Commissioners are reminded that, should Council resolve to close to members of the public that part of its meeting at which this Report and related documents is to be considered, then they are to ensure that the information remains **CONFIDENTIAL** and should not disclose the content of this Report or any related document to any other person. To do so may be an improper use of the information under section 5.93 of the LG Act.

Officer Recommendation and Council Decision

That, in accordance with Section 5.23(2) of the Local Government Act 1995, which permits the meeting to be closed to the public for business relating to:

- ***Item 8.1: (a) matter affecting an employee or employees; and***
- ***Item 8.2: (d) legal advice obtained, or which may be obtained, by the local government and which relates to a matter to be discussed at the meeting.***

Council DECLARES the meeting closed to the public at 5.11pm.

Moved: Commissioner Sandri

Seconded: Commissioner Hart

CARRIED: UNANIMOUSLY 3-0

For: Commissioner Caddy, Commissioner Sandri, Commissioner Hart

Against: Nil



8.1 Underpayment of Staff (CONFIDENTIAL)

Report Number	CEO49.11.25
Applicant	City of Nedlands
Disclosure of Interest	Nil
Voting Requirements	Simple Majority
Authority/Discretion	Executive
Contributing Officer	Julie Fairweather – Chief People and Culture Officer
Responsible Officer	Arthur Kyron – Acting Chief Executive Officer
Director	Arthur Kyron – Acting Chief Executive Officer
Attachments	Attachment 1 – CONFIDENTIAL

Officer Recommendation

That Council **APPROVES** the recommendation set out in the discussion section of the Confidential report.

Moved: Commissioner Hart

Seconded: Commissioner Sandri

Commissioner Sandri proposed an Alternative Motion

Alternative Motion and Council Decision

That Council:

1. **APPROVES** the recommendation set out in the discussion section of the Confidential report,
2. **RECEIVES** a report by the end of January 2026 outlining any liabilities and associated recommendations.

Moved: Commissioner Sandri

Seconded: Commissioner Hart

CARRIED: UNANIMOUSLY 3-0

For: Commissioner Caddy, Commissioner Sandri, Commissioner Hart

Against: Nil



8.2 Update on Litigation Claim (CONFIDENTIAL)

Report Number	CEO50.11.25
Applicant	City of Nedlands
Disclosure of Interest	Nil
Voting Requirements	Simple Majority
Authority/Discretion	Legislative
Contributing Officer	Jonathan Allen – Coordinator Governance Legal & Risk
Responsible Officer	Jonathan Allen – Coordinator Governance Legal & Risk
Director	Arthur Kyron – Acting Chief Executive Officer
Attachments	Attachment 1 – CONFIDENTIAL Attachment 2 – CONFIDENTIAL Attachment 3 – CONFIDENTIAL Attachment 4 – CONFIDENTIAL

Officer Recommendation and Council Decision

That Council **APPROVES** the recommendation and **AUTHORISES** the CEO to proceed as set out in this confidential report.

Moved: Commissioner Caddy

Seconded: Commissioner Hart

CARRIED: UNANIMOUSLY 3-0

For: Commissioner Caddy, Commissioner Sandri, Commissioner Hart

Against: Nil



Officer Recommendation and Council Decision

That Council RE-OPENS the meeting to members of the public at 5.25pm.

Moved: Commissioner Hart

Seconded: Commissioner Sandri

CARRIED: UNANIMOUSLY 3-0

For: Commissioner Caddy, Commissioner Sandri, Commissioner Hart

Against: Nil



9. **DECLARATION OF CLOSURE**

There being no further business, the Presiding Member declared the meeting closed at 5.26pm.