

# **TOWN OF COTTESLOE**



## **AUDIT COMMITTEE**

# **AGENDA**

**AUDIT COMMITTEE  
TO BE HELD IN THE  
Mayor's Parlour, Cottesloe Civic Centre  
109 Broome Street, Cottesloe  
4:30 PM Monday, 8 September 2025**

# Town of Cottesloe

## AUDIT COMMITTEE MEETING

Notice is hereby given that the next Audit Committee Meeting will be held in the Mayor's Parlour, Cottesloe Civic Centre 109 Broome Street, Cottesloe on **8 September 2025** commencing at **4:30 PM**.

The business to be transacted is shown on the Agenda hereunder.

Yours faithfully,



Mark Newman  
**Chief Executive Officer**

05 September 2025

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Agenda and minutes are available on the Town's website [www.cottesloe.wa.gov.au](http://www.cottesloe.wa.gov.au)

## **PURPOSE**

The purpose of the Audit Committee is to:

- Guide and assist the local government in carrying out its financial management and audit functions.
- Monitor and advise the Chief Executive Officer in reviews conducted into financial management and audit systems and procedures.
- Oversee the implementation of any resulting Council recommendations so as to support better decision-making, greater accountability to the community and ensure a more efficient and effective Local Government.

## **TERMS OF REFERENCE**

Under section 16 of the *Local Government (Audit) Regulations 1996*, 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.*

Under section 14(3A) of the Regulations, the Audit Committee:

- (3A) *The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.*

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

Refer to the Disclaimer on the inside of the cover page

**3 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 Nathan Hart	Community Representative
Mr Ian McKenzie	Community Representative

**Officers**

Mrs Vicki Cobby	Director Corporate and Community Services
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**Visitors****Apologies**

At the close of the agenda no apologies had been received.

**4 DECLARATION OF INTERESTS****5 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION**

The meeting will be recorded, solely for the purpose of confirming the correctness of the Minutes.

**6 CONFIRMATION OF MINUTES**

That the Minutes of the Audit Committee Meeting held on Monday 26 May 2025 be confirmed as a true and accurate record.

**7 PRESENTATIONS**

**8 REPORTS****8.1 REPORTS OF OFFICERS****8.1.1 NEW CREDIT CARD POLICY AND CREDIT CARD USER AGREEMENT**

**Directorate:** Corporate and Community Services  
**Author(s):** Vicki Cobby, Director Corporate and Community Services  
**Authoriser(s):** Mark Newman, Chief Executive Officer  
**File Reference:** D25/42258  
**Applicant(s):**  
**Author Disclosure of Interest:** Nil

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**SUMMARY**

The Credit Card Policy was reviewed and amended with Council's approval at the June 2025 Ordinary Council Meeting, in the policy it was specified that the CEO was responsible for providing clear guidance on what is allowable and reasonable business use in the credit card user agreement. The administration is seeking endorsement by the Audit Committee on the draft Credit Card User Agreement for internal use.

**OFFICER RECOMMENDATION IN BRIEF**

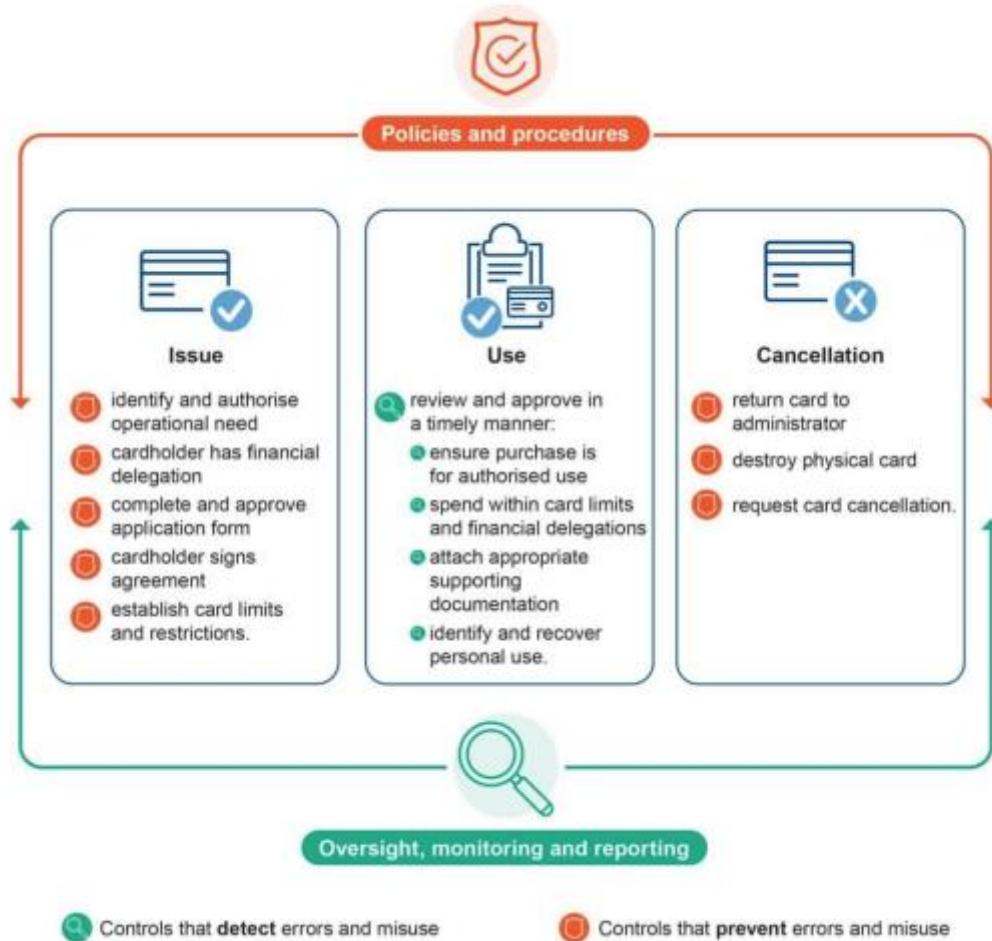
That the Audit Committee NOTES the amended Credit Card Policy and ENDORSES the Credit Card User Agreement for internal use.

**OFFICER COMMENT****Credit Card Policy**

The Office of the Auditor General (OAG) has issued two reports in two years on Local Government entities management of purchasing cards. The most recent of these, published on 28 May 2025 was on larger metropolitan entities. The previous report, issued on 12 June 2024 was on regional Local Governments.

With the review of the Town's Credit Card policy, the intention was to address the concerns raised by the OAG and ensure the Town of Cottesloe has effective and appropriate control over its credit card usage.

In both audits the OAG assessed the following controls;



Source: OAG

The resulting recommendations from the 2025 OAG report are;

### Recommendations

1. The six entities should ensure their policy and guidance is clear on what is allowable and reasonable business use expenditure for items such as travel, alcohol, meals, entertainment and gifts.
2. The six entities, as relevant, should:
  - a. Report purchasing card transactions more transparently to council to enable better scrutiny of how public money is being spent.
  - b. Have suitable controls in place to manage the issue and timely cancellation of purchasing cards.
  - c. Review and approve purchasing card transactions in a timely manner
  - d. Keep proper records of the review and approvals of purchasing card transactions and card cancellations.
  - e. Regularly monitor and report on purchasing card controls to allow management to oversee usage and control effectiveness. The results of reviews should be documented and retained.



The following excerpt from the June Ordinary Council Meeting report explains why the amended credit card was not presented to the audit committee first.

*“The credit card policy was last reviewed in May 2016, and is now being recommended for a significant revision and amendment. The results of the most recent OAG review on local government management of purchasing cards has demonstrated that the Town currently has inadequate controls and monitoring. While this is an appropriate report to present to the Audit Committee (soon to become the Audit, Risk and Improvement Committee), the administration believes immediate action to ensure the Town of Cottesloe is reducing risk and improving accountability, control and transparency, is paramount.”*

**ATTACHMENTS**

**8.1.1(a) Credit Card Policy - AMENDED June 2025 [under separate cover]**

**8.1.1(b) DRAFT Credit Card User Agreement [under separate cover]**

**CONSULTATION**

Executive Team

**STATUTORY IMPLICATIONS**

*Local Government Act 1995*

Section 2.7(2)(a)and(b)

Section 6.5(a)

*Local Government (Financial Management) Regulations 1996*

Regulation 11(1)a

Regulation 13A

**POLICY IMPLICATIONS**

The Credit Card User Agreement reinforces and mirrors key requirements of the Purchasing Policy, ensuring consistency and compliance.

**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.

**RISK MANAGEMENT IMPLICATIONS**

Non-compliance risk – Without a suitable credit card user agreement, there is no formal mechanism requiring cardholders to adhere to key policy obligations, increasing the likelihood of misuse or policy breaches.

Accountability risk – Lack of a signed agreement weakens accountability, making it difficult to enforce consequences for inappropriate or unauthorised use.

Audit and governance risk – Failure to implement a user agreement may be viewed negatively in internal or external audits, as a gap in governance controls over financial transactions.

Financial and reputational risk – Misuse or mismanagement of credit cards could result in financial losses and damage to the Town's reputation.

**VOTING REQUIREMENT**

Simple Majority

**OFFICER RECOMMENDATION**

**THAT the Audit Committee**

- 1. NOTES the amended Credit Card Policy as per Attachment (a)**
- 2. ENDORSES the Credit Card User Agreement Policy as outlined in Attachment (b).**

## 8.2 ITEMS FOR DISCUSSION

### 8.2.1 ERP PROJECT UPDATES

**Attachments:** Nil

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

The Town had a successful GO LIVE transition on 3 July 2025. There were a lot of issues raised during the Hypercare period as anticipated, with priority given to issues that were affecting the Town's ability to receipt money, issue infringements and serve our customers.

The Hypercare phase is now complete, and a handover to the Datascape support team has taken place.

At the end of the Hypercare period there were still issues outstanding, but the Town was able to receipt payments, issue infringements and we developed temporary workarounds to achieve all business as usual tasks.

Currently, four weeks post Hypercare, we still have the following issues;

**Payroll** – The Town has not been able to run a complete payroll process without DataScape intervention over the five payment cycles we have completed in the system. There has been something 'fail' on their side each time. This has been identified as a system integration issue between DataScape and the payroll module DataPay. The calculating and processing of pays is working well.

**Timesheets** – The timesheet approval process is not working, but has not been a priority for the payroll team to date.

**Allocation of payments** – While officers can now take payments and receipt through DataScape, not all payments are being allocated to the original request (for example, building applications require manual allocation by the finance team).

**New dog registrations** – The customer service team are unable to add a new dog to Datascape.

**Data migration (building and planning)** – The data migration for building and planning was expected to have been completed by now, but other priorities and issues have seen this delayed. The information is still accessible through the legacy ERP.

**Chart of Accounts** – Before the final modules can be implemented (Work Orders and Assets), the Chart of Accounts needs to be amended, as it is currently incompatible. DataScape is assisting the Town with this, but considerable time and effort needs to be applied to this task. The Town is considering options for external assistance.

Ongoing support is continuing on the above issues with both the DataScape Project team and the new support team post Hypercare. Further urgency was applied on the Town's behalf by the DataScape Product Lead (Financials) after a meeting with the CEO and the Director Corporate and Community Services.

While there is some officer fatigue caused by onerous workarounds and frustration with ongoing issues, it is very important to note that issues are being solved every week. While it feels like two steps forward and one step back often, an enormous amount of work and effort have solved many issues to date.

A dedicated SME (subject matter experts) team, led by our Business Analyst have done an amazing job to date and are meeting regularly to update, share and support each other.

**8.2.2 COMPLIANCE CALENDAR**

**Attachments: 8.2.2(a) Compliance Calendar - September 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.

Since the last meeting, the administration have updated the Compliance Calendar from the latest template from WALGA.

**8.2.3 AUDIT COMMITTEE RESOLUTION DATABASE**

**Attachments: 8.2.3(a) Audit Committee Resolution Database - September 20256 [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.

**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****MOTION FOR BEHIND CLOSED DOORS**

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

**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.

**MOTION FOR RETURN FROM BEHIND CLOSED DOORS**

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.

**11 NEXT MEETING****12 MEETING CLOSURE**