

TOWN OF COTTESLOE



AUDIT, RISK AND IMPROVEMENT COMMITTEE

AGENDA

**AUDIT, RISK AND IMPROVEMENT COMMITTEE
TO BE HELD IN THE
Mayor's Parlour, Cottesloe Civic Centre
109 Broome Street, Cottesloe
4:30 pm Monday, 8 December 2025**

Town of Cottesloe

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

Notice is hereby given that the next Audit, Risk and Improvement Committee Meeting will be held in the Mayor's Parlour, Cottesloe Civic Centre 109 Broome Street, Cottesloe on **8 December 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 December 2025

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Agenda and minutes are available on the Town's website www.cottesloe.wa.gov.au

PURPOSE

The purpose of the Audit, Risk and Improvement 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**

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

Officers

Mr Mark Newman	Chief Executive Officer
Mrs Vicki Cobby	Director Corporate and Community Services
Mrs Sheryl Teoh	Finance Manager
Ms Kate Jones	Governance Coordinator

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 8 September 2025 be confirmed as a true and accurate record.

7 PRESENTATIONS

8 REPORTS**8.1 REPORTS OF OFFICERS****8.1.1 2024/2025 ANNUAL FINANCIAL STATEMENTS AND AUDIT REPORT**

Directorate: Corporate and Community Services
Author(s): Vicki Cobby, Director Corporate and Community Services
Sheryl Teoh, Finance Manager
Authoriser(s): Mark Newman, Chief Executive Officer
File Reference: D25/78360
Applicant(s):
Author Disclosure of Interest: Nil

SUMMARY

The 2024/25 Annual Financial Statements have been finalised and audited by the Town's appointed Auditor in conjunction with the Office of the Auditor General. The Audit Report has been completed and is presented to the Audit Committee for consideration prior to submission to Council.

OFFICER RECOMMENDATION IN BRIEF

That the Audit Committee ENDORSE the 2024/25 Annual Financial Statements and Audit Report as presented.

BACKGROUND

The Annual Financial Statements for a local government must be submitted for Audit by 30 September each year. This year the Town sought an extension from the Department of Local Government, Sport and Cultural Industries to extend the deadline to 13 October 2025. The Town's 2024/25 Annual Financial Statements were submitted to the Town's Auditor on 6 October 2025.

OFFICER COMMENT

The Annual Financial Statements and Audit Report have been completed and are presented to the Audit Committee prior to being incorporated into the Town's Annual Report which is then submitted to Council.

The Audit, Risk and Improvement Committee were invited to attend the Town's Audit Exit Meeting, chaired by the Office of the Auditor General. This meeting, gave the audit committee the opportunity to discuss any elements of the audit or annual financial report with both staff, Grant Thornton auditors and the Office of the Auditor General.

The Audit Findings Report was presented by the Auditor appointed by the Office of the Auditor General during the Audit Exit Meeting. A strong audit outcome was achieved, with the auditor outlining the findings in detail. The Town received no significant findings, eight

moderate findings, and two minor findings, all of which have been recorded in the confidential Audit Actions Register.

The Annual Financial Statements and the Management Representation Letter were signed by the Chief Executive Officer on 2 December 2025, and the Office of the Auditor General issued an unqualified audit opinion.

Extracted from the Statement of Financial Position was the following, highlighted for the Committee:

	2024/25	2023/24	Difference
Net Current Asset Position	\$9,099,924	\$9,863,836	(\$763,912)
Total Debt	\$1,753,977	\$2,108,097	(\$354,120)
Total Reserves	\$8,341,980	\$7,839,029	\$502,951
Total Equity	\$150,991,187	\$152,795,094	(\$1,803,907)

The Town's net current asset position is lower than last year, primarily because the prior year was inflated by significant carry-forwards of unspent capital works. This meant funds remained in the bank, resulting in high net current assets. During the year, total debt decreased in line with scheduled loan repayments, while reserves grew by \$502,951, a strong outcome that supports the Town's future financial sustainability. The reduction in total equity reflects both the lower net current asset position and ongoing depreciation of assets; however, total equity remains higher than the 2022/23 result, which is a positive indicator of overall financial strength.

ATTACHMENTS

8.1.1(a) Financial Statements - Town of Cottesloe - 30 June 2025 with OAG Audit Report [under separate cover]

CONSULTATION

Grant Thornton Auditors

Office of the Auditor General

STATUTORY IMPLICATIONS

Local Government Act 1995

6.4 Financial report

- (1) A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.
- (2) The financial report is to —
 - (a) be prepared and presented in the manner and form prescribed; and
 - (b) contain the prescribed information.
- (3) By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —

- (a) the accounts of the local government, balanced up to the last day of the preceding financial year; and
- (b) the annual financial report of the local government for the preceding financial year.

POLICY IMPLICATIONS

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

STRATEGIC IMPLICATIONS

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

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

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

RESOURCE IMPLICATIONS

Resource requirements are in accordance with the existing budgetary allocation.

ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS

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

RISK MANAGEMENT IMPLICATIONS

If the Audit, Risk and Improvement Committee (ARIC) does not endorse the Annual Financial Report to Council, and Council subsequently does not accept the Annual Report, the Town of Cottesloe will breach the statutory deadline. To avoid this, a Special Council Meeting would need to be convened. The Office of the Auditor General (OAG) has advised that all local governments breaching this requirement will be identified, creating a potential reputational risk for the Town.

VOTING REQUIREMENT

Simple Majority

OFFICER RECOMMENDATION

THAT the Audit, Risk and Improvement Committee ENDORSE the 2024/25 Annual Financial Statements and Audit Report as presented in Attachment (a).

8.2 ITEMS FOR DISCUSSION**8.2.1 ERP PROJECT UPDATE**

Attachments: Nil

EXECUTIVE SUMMARY

Over the past three months, the Town of Cottesloe has made significant progress towards achieving Business As Usual (BAU) with the Datascape ERP platform. Most core functions are now stable, and staff can complete standard tasks effectively. While some complex processes still require attention, overall system usage has improved substantially.

CURRENT BAU AREAS

The following modules and functions are now largely operating as BAU:

- Finance
 - General Ledger
 - Receipting
 - Debt Recovery
 - Bonds / Trusts
 - Accounts Payable
 - Accounts Receivable
 - Bank Reconciliation
 - Payroll (excluding Timesheets)
- Property & Ratings
 - Streets
 - Properties
 - Rates
 - Debt Recovery
- Customer Services
 - Contacts
 - Service Requests
- Regulatory
 - Parking Permits
 - Impounded Goods
 - Parking Infringements (excluding FER and Appeal processes)
 - Pools
 - Building
 - Planning
- Integrations

- PinForce Parking Ticket System

RECENT ACHIEVEMENTS

Key accomplishments during the reporting period include:

- **Subject Matter Expert (SME) Program**
 - Regular SME sessions established to review issues, provide training, standardise processes, prepare for monthly updates, and identify improvement opportunities.
- **Knowledge Sharing and Networking**
 - Hosted and attended the Datacom User Group, enabling SMEs and Managers to learn from other councils, share best practices, and expand knowledge of ERP capabilities.
- **Vendor Engagement**
 - Meetings with Datacom product leaders for Regulatory modules to address issues and guide development priorities.
 - Regular sessions with Datacom support to focus on high-priority areas.
- **Template Standardisation**
 - Modified and standardised key templates delivered during implementation to better suit Town of Cottesloe requirements.
- **Support Ticket Stabilisation**
 - Tickets raised by SMEs are now generally focused on fringe issues in areas that have achieved BAU, indicating improved system stability.

OUTSTANDING AREAS REQUIRING FURTHER EFFORT

The following areas need additional work to reach BAU:

- a) Parking Infringement FER and Appeal processes
- b) Non-Parking Infringement processes and configuration
- c) Waste
- d) Workzones and Materials on Verge
- e) Health and Food

- f) Full integration with CM10 / Trim Records Management platform
- g) Full integration with Intramaps mapping platform
- h) Migration of Planning and Building legacy data

(a) Parking Infringement FER and Appeal Processes

Significant progress has been made in resolving problem infringements, including legacy issues and process errors. FER submissions were delayed to ensure accuracy but commenced in late November, with final rectifications scheduled for early December. FER payments are now being processed in the ERP.

Appeals processes have been cleaned up, staff trained, and improvements implemented. Full functionality is expected by December.

An ongoing issue being worked on with Datacom is the slowness of processing bulk notices such as Infringement Reminders, Final Warnings and FER Warnings. The current process causes slow system performance for all users and will not be workable when higher volumes of infringements are being issued during the height of summer. This has been raised with the Datacom product team who understand the importance of rectifying this quickly.

(b) Non-Parking Infringement Processes

Configuration was incomplete during implementation and not fully tested. Town of Cottesloe and Datacom are actively working to resolve issues recently identified.

(c) Waste, Workzones, and Health & Food

Process gaps identified both pre- and post-implementation are delaying BAU. Collaborative efforts with Datacom are underway to address these issues.

(d) Integration with CM10 / Trim

Integration has been delayed due to configuration issues and resource constraints. Work has accelerated and is expected to be largely complete early in 2026.

(e) Integration with Intramaps

Currently, only Properties and Parcels are integrated. TechnologyOne has been engaged to complete full integration, with completion targeted for the end of Q1 2026, subject to consultant availability.

(f) Migration of Planning and Building Data

Planning data migration is nearly complete but was delayed due to prioritisation of infringements. Completion is expected in December. Building data migration, which is less complex, will follow and is scheduled for early 2026.

NEXT STEPS

- Complete FER and Appeals processes by December.
- Finalise Planning data migration by December; Building migration early 2026.
- Accelerate integration projects (CM10/Trim and Intramaps) for completion in early 2026.
- Continue SME sessions and targeted support to resolve outstanding issues
- Implementation of Phase Two.

PHASE TWO

Phase 2 (Chart of Accounts, Work Orders and Assets) is progressing well, with the Product Lead – Financials from DataScape working onsite with the team over the past few weeks. A revised Chart of Accounts framework has been determined and designed to support improved reporting and more efficient work practices. A substantial body of work will be required to migrate year-to-date transactions to the new structure, which is scheduled to occur in late December. Re-scoping of Phase 2 to ensure the necessary support to deliver a fully functional Chart of Accounts is likely to require a budget amendment to be presented to Council in December.

OVERALL STATUS

The ERP is being effectively used to manage most day to day BAU activities with SMEs and end users building stronger skills in the use of the system, with most core functions stabilised and remaining issues actively managed. The focus for the next quarter will be on completing integrations, resolving regulatory process gaps, finalising data migrations and then looking to streamline processes and introduce efficiencies.

8.2.2 REFORMS TO AUDIT COMMITTEES - LOCAL GOVERNMENT AMENDMENT BILL 2024

Attachments: 8.2.2(a) Reforms to Governance and Committees [under separate cover]

SUMMARY

The *Local Government Amendment Bill 2024* introduces a requirement that the Presiding and Deputy Presiding Members of Audit, Risk and Improvement Committees (ARIC) be independent members.

OFFICER COMMENT

In the Audit Committee Meeting held on 17 March 2025, the proposed changes to the Audit Committee were outlined with reference to the Fact Sheet: Reforms to governance and committees - **Attachment (a)**.

The proposed changes included;

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

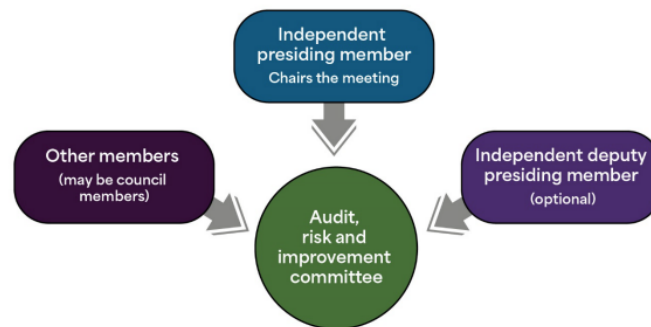
In relation to the current Act, an audit committee is required to be established comprising 3 or more persons appointed by absolute majority by a local government. Most of the members must be council members. The CEO or a local government employee cannot be a member.

Following the October 2025 local government elections, Council appointed four Elected Members and two community representatives to the committee and resolved to rename the Town of Cottesloe Audit Committee as the Audit, Risk and Improvement Committee (OCM159/2025). As part of the same resolution, Council appointed Deputy Mayor Heath as Presiding Member.

In preparation for the further implementation of the *Local Government Amendment Act 2024*, it is now appropriate to discuss with the committee and determine the appetite of the independent committee members to preside in the future.

Audit, risk and improvement committee model

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

**RISK MANAGEMENT IMPLICATIONS**

Non-compliance risk – If a suitable future Presiding Member is not identified in advance, the Town may be exposed to a period of non-compliance while a replacement is determined. This may result in delays to committee operations and could necessitate the convening of a Special Council Meeting, requiring additional time and resources.

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 REVIEW AND DEVELOPMENT OF RISK MANAGEMENT FRAMEWORK

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 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.

10.1.3 REVIEW OF FINANCIAL MANAGEMENT, RISK MANAGEMENT, LEGISLATIVE COMPLIANCE AND INTERNAL CONTROLS

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**