



# AUDIT STRATEGY MEMORANDUM

City of Bunbury

For the Year ended  
30 June 2025



## Moore Australia Audit

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26 February 2025

City of Bunbury  
4 Stephen Street  
BUNBURY WA 6230

Dear Members of the Council, Audit Committee and Management

### AUDIT STRATEGY MEMORANDUM – YEAR ENDED 30 JUNE 2025

We enclose our Audit Strategy Memorandum in respect of the year ended 30 June 2025 which sets out:

- Executive Summary
- Key Focus Areas
- Management Letter Points 2024
- Deliverables and Timetable
- Audit Team
- Other Matters

This memorandum is intended solely for the use of the Members of the Council, Audit Committee and Management for the purpose of communicating matters of interest with regard to the audit (i.e. promote effective communication between the auditor and those charged with governance) and may not be used for any other purpose or disclosed to anyone else without our prior written consent.

We look forward to discussing this report with you.

Yours faithfully

Wen-Shien Chai  
Partner – Audit and Assurance  
[Moore Australia Audit \(WA\)](#)

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# Executive Summary

The key purpose of this report is to communicate the audit scope and approach (including the key audit risk areas which we expect to be focus of the audit procedures) with those charged with governance.

## PURPOSE

The purpose of our audit is to express an opinion as to whether the City's annual financial report:

- a. is based on proper accounts and reports; and
- b. presents fairly, in all material respects, the results of the operations of the City and its financial position 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.

The audit will also report on whether all audit procedures were satisfactorily completed in conducting the audit in accordance with Reg 10(3) of the Local Government (Audit) Regulations 1996.

## OTHER REPORTING

We will also report to the City any material weaknesses in the systems of internal control and accounting, and provide recommendations on other significant matters which came to our attention during our audit.

## AUDITOR RESPONSIBILITIES

The Office of Auditor General (OAG) Western Australia is responsible for the audit of the City, including determining the scope and extent of the audit and for the audit conclusion expressed.

Moore Australia has been engaged by the Office of Auditor General (OAG) Western Australia to perform the audit of the City's annual financial report for the year ending 30 June 2025.

We request management and those charged with governance review this document to ensure that they concur with the matters raised, and there are no further significant considerations or matters that could impact on the audit and the financial report.

## ADDITIONAL SCOPE/WORK

Should additional matters or issues arise requiring additional audit work we will discuss these with the OAG Director. The OAG Director will advise the City of any additional fees associated with this work.

# Executive Summary – Summary of Audit Methodology

The audit will be conducted using our global methodology to ensure the appropriate level of consistency and quality is achieved.

## METHODOLOGY AND APPROACH

### Moore Australia Clarity Audit Methodology



#### Step 1

Update our understanding of each entity's operations.

#### Step 2

Obtain comfort over controls for each of the operating cycles.

Determine to what extent it is effective and efficient for us to rely on management's controls.

Completion of controls testing including:

- What are key risks for our audit?
- How are risks controls / managed?
- Evaluate effectiveness of identified controls.
- Test and validate whether the control have been operating effectively during the year.

#### Step 3

Assess level of reliance on controls and complete specific procedures necessary to address audit risks.

Residual substantive procedures are tailored and consist of analytical procedures and / or tests of detail.

#### Step 4

Complete procedures in relation to financial statements as well as other audit completion and reporting procedures, including in respect to the form and content of the opinion.

Our audit process generally contains three phases being planning, fieldwork and completion.

The planning phase is critical to the audit process as this is where we assess the audit risk. Our methodology focuses on the City's underlying business risks, recognising that audit risk is affected by the business risks of the City, as well as by how well Management and Council address those risks.

Our audit approach focuses on areas that represent higher risk to the City. We will make a combined assessment of inherent and control risk for significant accounts and the related financial report assertions. We will then establish a portfolio of audit procedures that are customised based on the City's significant accounts, critical areas, disclosures and classes of transactions, as well as our assessment of risk, including the risk of fraud.

Our procedures include both substantive tests of details and tests of controls for significant account balances, transactions and disclosures.

# Executive Summary – Materiality and Sampling

## MATERIALITY

Materiality is set at the planning stage to ensure that an appropriate level of audit work is conducted. It is also set at the reporting stage to assess the impact of an item on the financial report.

Materiality depends on the size of the item or error judged in the circumstances of its omission or misstatement. Thus, materiality provides a threshold or cut off point rather than being a primary qualitative characteristic which information must have if it is to be useful. An item would be considered material to the financial report if, through its omission or non-disclosure, the financial report would no longer show a true and fair view.

In assessing if errors are material, we consider them on an aggregated basis, not individually.

## SAMPLING

In line with the requirements of Australian Auditing Standards, a key element of our audit approach is the sampling of transactions for testing across all key control aspects and material account balances.

Our assessment of risk and determination of materiality are key inputs in determining the nature and level of the sample size of transactions to be tested within any particular area of our audit.

While this is always a key area of audit judgement, we confirm that our determination of samples selected for testing is supported by Moore Global's audit methodology and procedure manual as well as our audit automation software, CaseWare. Thus, we confirm our approach to sampling is designed so as to provide a sufficient level of confidence in considering our audit conclusions arrived at from our testing.

# Executive Summary – Key Focus Areas

As part of our risk assessment, we identified key risks based on our knowledge of the City and the local government industry. This risk assessment process is designed to ensure that we focused our audit work on the areas of highest risk.

## KEY FOCUS AREAS

VALUATION OF LAND  
& BUILDINGS AND  
INFRASTRUCTURE



REVENUE  
RECOGNITION



COMPLETENESS OF  
LIABILITIES



MANAGEMENT  
OVERRIDE OF  
CONTROLS  
AND FRAUD



VALUATION OF  
EMPLOYEE RELATED  
PROVISIONS



ACCOUNTING FOR  
JOINT  
ARRANGEMENTS



ACCOUNTING FOR  
REHABILITATION  
COSTS



INTERNAL CONTROLS  
(INCLUDING ITGC)



OTHER DISCLOSURES  
IN THE FINANCIAL  
REPORT



# Executive Summary – Significant Audit and Accounting Issues

Particulars of the significant accounting issues which may arise are included in this section of the report for further consideration, where appropriate, by TCWG.

## 1

### **ACCOUNTING POLICIES**

The 30 June 2025 financial report will be prepared in accordance with Australian Equivalents to International Financial Reporting Standards (“AIFRS”) the Act and other relevant parts of the regulatory framework, and policies will be consistent with those applied in the 30 June 2024 financial report.

We are not aware of any other material changes in accounting policies to applied during the financial year.

Our audit procedures include a review of the accounting policies to ensure that they were consistently applied throughout the year.

## 2

### **JUDGEMENTAL MATTERS AND ESTIMATIONS**

The preparation of the financial report requires the use of management judgments and accounting estimates or assumptions, which affect the reported amounts of assets, liabilities, income and expenses, and disclosure of contingent assets and contingent liabilities.

Certain estimates can be particularly sensitive because of their significance to the financial report and the possibility that actual future events affecting them may differ significantly from management’s current assumptions and expectations.

Where necessary, we will challenge the judgments of management based on our examination of evidential matter relating to those estimates.

Major accounts effected by management judgements or accounting estimates are:

- Accounting for employee related provisions
- Accounting for rehabilitation provisions
- Depreciation of non-current assets
- Fair value accounting for land and buildings and infrastructure assets

# Key Focus Areas



# Key Focus Areas

## RISK

## DETAILS

## WORK TO BE PERFORMED

### 1. Valuation of Land & Buildings and Infrastructure assets



These are the biggest classes of non-financial assets reported in the City's statement of financial position where there is a mix of cost (for plant and equipment) and fair value (for land, buildings and infrastructure – revalued every 5 years) accounting involved.

There is a significant inherent risk given the nature of assets held and judgement applied in determining fair values, depreciation and impairment assessments.

- Review system procedures and perform a walkthrough of the fixed assets cycle to gain the understanding of the internal control system processes;
- Assess accounting policies to ensure they are in accordance with AASB 116 Property, Plant and Equipment, AASB 13 Fair Value Measurement and AASB 136 Impairment of Assets;
- Sample test asset additions, disposals and depreciation;
- Review the fair value reports any valuations that are performed during the year, including a review of valuation techniques and assumptions applied. We will also assess the valuer's qualifications and expertise; and
- Review management's impairment assessment against the City's circumstances.

\$565.1mil

2024

property, plant and equipment and infrastructure assets

\$90.4mil

2024

valuation increment

\$15.2mil

2024

depreciation expense

\$23.9mil

2025

budgeted capital expenditure

# Key Focus Areas

## RISK

## DETAILS

## WORK TO BE PERFORMED

### 2. Revenue Recognition



Revenue is being recognised in accordance with AASB 15 Revenue from Contracts with Customers and AASB 1058 Income of Not-for-Profit Entities. The main revenue generating activities include rates, fees & charges and government grants & contributions.

Significant judgement is required in recognising revenue according to the nature of the transactions with various funding agreements introduce inherent complexities. Given the different revenue streams and this inherent complexity, there is a risk that revenue may not be recognised as required.

Revenue recognition is a presumed significant risk in accordance with the Auditing Standards, however this presumption was rebutted due to the nature of the City's operations.

- Review the appropriateness of the City's revenue recognition policies for each material revenue stream in accordance with AASB 15 and 1058;
- Review the design and implementation of internal controls by documenting and performing walkthroughs of the revenue cycles;
- On sample basis, test revenue streams to supporting grant agreements, tax invoices and bank statement receipts; and
- On sample basis, test the recognition of contract liabilities to ensure proper accounting in accordance with AASB 15 and AASB 1058.

\$49.8mil

2025 budgeted rates

\$17.1mil

2025 budgeted fees and charges

\$7.3mil

2025 budgeted capital grant income

\$2.5mil

2025 budgeted grants and subsidies

# Key Focus Areas

## RISK

### 3. Completeness and Accuracy of Liabilities and Expenses



## DETAILS

There is an inherent risk that expenditure and corresponding liabilities, are not brought to account in the correct accounting period.

Most of the City's expenses relates to employee benefits expenses, materials and contracts and depreciation.

## WORK TO BE PERFORMED

- Obtain post year end bank statements up until the time of our audit testing and agree a sample of bank payments to supporting documentation (e.g. tax invoices, payroll reports) to ensure no material unrecorded liabilities at reporting date;
- Supporting documentation will be traced to posted expenditure accounting transactions to check if transactions were recorded in the correct accounting year;
- Ensure classification of expenditure accounting transactions have been coded appropriately to its function and activities;
- Ensure GST is being properly accounted for; and
- Review the design and implementation of internal controls by documenting and performing walkthroughs of the expenditure cycles.

\$37.3mil

2025 budgeted  
employee costs

\$17.7mil

2025 budgeted  
materials and contracts

\$15mil

2025 budgeted  
depreciation

\$10mil

2024  
trade and other payables

# Key Focus Areas

## RISK

### 4. Management Override of Controls, including fraud



## DETAILS

Management is involved in day-to-day operations and monitoring of the City, which gives them the ability to manipulate accounting records and prepare fraudulent financial reports by overriding controls in place. Due to the unpredictable way in which such an override could occur, this leads to potential fraud risk and is always assessed as a significant risk.

The primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the entity and management. It is important that management, with the oversight of those charged with governance, place a strong emphasis on fraud prevention, which may reduce opportunities for fraud to take place, and fraud deterrence, which could persuade individuals not to commit fraud because of the likelihood of detection and punishment.

## WORK TO BE PERFORMED

- Review of journal entries and other adjustments for evidence of possible material misstatements due to fraud;
- Review of accounting estimates and application of accounting policies for evidence of bias or aggressive accounting practices;
- For significant or unusual transactions, we will evaluate the business rationale (or lack thereof) for evidence of fraudulent financial report or misappropriation of assets; and
- We will maintain professional skepticism throughout the audit.

# Key Focus Areas

## RISK

## DETAILS

## WORK TO BE PERFORMED

### 5. Valuation of Employee Related Provisions



Provisions for employee benefits involve a degree of management estimation and uncertainty in the calculation in respect of present value inputs (inflation rates and discount factors), timing and probabilities of settlement.

- Review management's assumptions, inputs and calculation of employee related provisions to ensure they are in accordance with AASB 119 Employee Benefits;
- Agree underlying information to employee employment contracts and approved leave applications.

\$6mil

2024  
employee related provisions

\$2.7mil

2024  
annual leave

\$3.1mil

2024  
long service leave

\$0.2mil

2024  
other employee leave  
provisions

# Key Focus Areas

## RISK

### 6. Accounting for Joint Arrangements



## DETAILS

The City has the following joint arrangements:

- College Grove Joint Venture with the Department of Primary Industries and Regional Development; and
- Bunbury Harvey Regional Council (BHRC) with the Shire of Harvey.

Given the complex nature of these arrangements, there is a risk these ventures are not appropriately accounted for in accordance with AASB 11: Joint Arrangements, AASB 128: Investment in Associates and/or AASB 9: Financial Instruments.

## WORK TO BE PERFORMED

- Enquire with management as to the City's rights and obligations under the ventures and verify this representation to the relevant agreements and prevailing circumstances;
- Follow up on the status of the agreement with the Shire of Harvey for the BHRC;
- Review the City's assessment and accounting treatment relating to any assets or liabilities, ensuring a reasonable approach has been adopted in accordance with AASB 11, AASB 128 and AASB 9; and
- Assess the adequacy of the required disclosures in the financial report.

\$3.6mil

2024  
Bhrc net assets

\$0.4mil

2024  
College grove joint venture net  
assets

# Key Focus Areas

## RISK

## DETAILS

## WORK TO BE PERFORMED

### 7. Accounting for Rehabilitation Costs



The City has disclosed a number of sites that may be possible sources of contamination. Until an investigation is conducted on these sites the City is unable to estimate the potential costs associated with remediation.

Accounting for rehabilitation costs involves a degree of management estimation and uncertainty in their calculation in respect of inflation rate, discount factor and work costs. There is a risk that the asset and the related liability may not be recognised in accordance with AASB 116 Property, Plant, and Equipment and AASB 137 Provisions, Contingent Liabilities and Contingent Assets.

- Enquire of management if there is a change in circumstances regarding the City's present obligations and verify the representation to relevant agreements;
- Enquire about investigation progress made on the sites noted and if available review the City's management assumptions, inputs and rehabilitation costs worksheet to ensure cost estimates relating to the asset and liability are calculated using a reasonable approach in accordance with AASB 116 and AASB 137; and
- Assess the adequacy of the required disclosures in the financial report.

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

## 18. CONTINGENT LIABILITIES

### Contaminated Sites

In compliance with the *Contaminated Sites Act 2003*, the City has listed sites to be possible sources of contamination. Details of those sites are:

- |                 |                               |                                  |
|-----------------|-------------------------------|----------------------------------|
| * Nuytsia Ave   | * Spencer St Road Reserve     | * Spencer/Minninup Road Reserve  |
| * Jaycee Park   | * Queens Gardens              | * Bunbury Cemetery               |
| * Stanley Rd    | * Stirling Street Arts Centre | * Pioneer Park Cemetery          |
| * Big Swamp POS | * Marlston Hill               | * Trinity Rise                   |
| * Turkey Point  | * Picton Rd Laneway           | * Prosser/Alexander Road Reserve |
| * Rawling Rd    | * Donaldson Park              |                                  |

Until the City conducts an investigation to determine the presence and scope of contamination, assess the risk, and agree with the Department of Water and Environmental Regulation on the need and criteria for remediation of a risk based approach, the City is unable to estimate the potentials costs associated with remediation of these sites. This approach is consistent with the Department of Water and Environmental Regulation Guidelines.

# Key Focus Areas

## RISK

### 8. Other Disclosures in the Financial Report



## DETAILS

The City, as a class 1 local government, is required to disclose material information in relation to:

- Auditor remuneration;
- Contingent assets and liabilities;
- Post balance date events;
- Related party transactions (including Key management personnel);
- Capital commitments
- Financial risk management; and
- Information required by legislation.

## WORK TO BE PERFORMED

We will review the processes completed by the City to assess whether they are robust and this disclosure requirements are addressed adequately. These procedures will include a review of the system and the records used by the City to ensure material disclosures are prepared based on proper records and accounts.



# Key Focus Areas

## RISK

## DETAILS

## WORK TO BE PERFORMED

### 9. Internal Controls (including IT General Controls)



The integrity of financial information relies on the security, integrity and reliability of the City's information technology general controls (ITGC) environment.

It should be appreciated that our audit procedures are designed primarily to enable us to form an opinion on the financial statements and therefore may not bring to light all weaknesses in systems and procedures which may exist. However, we aim to use our knowledge of the City gained during our work to make comments and suggestions which, we hope, will be useful to you.

We will evaluate the City's system of internal controls primarily to enable us to determine the appropriate nature and extent of our procedures.

We will review the design (efficiency) and implementation (operating effectiveness) of the key financial controls by documenting our understanding of the systems, performing tests of controls, and conducting walkthroughs. As part of this, we will follow up on previous year management letter findings, which can be found on the following pages.

We will also conduct a high-level ITGC review of key controls relating to:

- System Security;
- Technology Framework;
- Service Management, Operations and Change Control;
- Security Governance and Reporting; and
- Security training

This, however, does not constitute a comprehensive review. Accordingly, the Audit Committee may wish to discuss with management any matters they may have raised with respect to particular systems, which may necessitate a more comprehensive review.

# Management Letter Points

# Management Letter Points 2024

RISK	OBSERVATION AND IMPLICATION	RISK RATING	RECOMMENDATION	MANAGEMENT COMMENT
<p>1. Bunbury Harvey Regional Council Joint Venture</p>	<p>We noted that although the City did account for their investment in BHRC using the equity method in accordance with AASB 128, a concrete agreement determining the actual split between the City of Bunbury and the Shire of Harvey is still yet to be finalised.</p> <p>Therefore, the issue is still not resolved. This issue has now been outstanding for a number of years.</p> <p>The City's share of net assets as disclosed in the financial statement of BHRC is reflected in their accounts, however a reasonable split has been used as opposed to an agreed split as determined by a concrete agreement, hence potentially misstates the City's net asset position and corresponding profit/loss position.</p>	<p>S</p>	<p>The City should come to an agreement with the Shire of Harvey to seek final clarification of its share in BHRC to be able to include its interest in the BHRC accurately in the future.</p>	<p>The process to reach an agreement between the City and Shire of Harvey on the equity split of the BHRC is still on-going. In September 2024, BHRC engaged consultant Mark Newman to conduct a review of BHRC and to assist both the Shire of Harvey and the City resolve the share of equity issue. Unfortunately, Mr. Newman resigned before completing this project. Negotiations are continuing between the Shire of Harvey and the City.</p>

# Management Letter Points 2024

RISK	OBSERVATION AND IMPLICATION	RISK RATING	RECOMMENDATION	MANAGEMENT COMMENT
<p><b>2. Information Technology Controls</b></p>	<p>During our review of information technology systems and controls, we identified the following weaknesses to be addressed:</p> <ul style="list-style-type: none"> <li>IT personnel performance indicators have not been established and therefore not being reported on a regular basis; and</li> <li>The business continuity plan is not tested on a periodic basis.</li> </ul> <p>Lack of IT performance indicators increases the risk of the IT resources not being aligned to the City's strategies and priorities.</p> <p>The identified weaknesses in the City's IT framework leaves the City vulnerable to potential cyber security threats and data breaches. Without proper processes to follow, employees may not have the knowledge and skills to recognise and respond to security incidents, making them more susceptible to phishing attacks, malware infections, and other cybersecurity risks.</p>	<p>M</p>	<p>The City should look to address the above weaknesses to help reduce risks relating to IT to an acceptable level.</p>	<p>1. Performance indicators are present in the form of achieving key outcomes through projects and other initiatives established in the ICT plan, the IT team's performance is regularly monitored against these objectives. We will continue to refine our performance indicators as needed to ensure alignment with the City's strategies and priorities.</p> <p>2. Correct, not tested due to major uplift project in progress which will significantly change the plan.</p>

# Management Letter Points 2024

RISK	OBSERVATION AND IMPLICATION	RISK RATING	RECOMMENDATION	MANAGEMENT COMMENT
<p><b>3. Procurement – Segregation of Duties</b></p>	<p>Our sample testing of expenditure internal controls noted the following:</p> <ul style="list-style-type: none"> <li>an instance (out of six transactions tested) where the purchase order was dated after the date of the corresponding supplier invoice was received.</li> <li>two instances (out of six transactions tested) where the purchase order was raised, approved and matched to the supplier invoice by the same employee.</li> </ul> <p>Purchases made without authorised purchase orders or proper segregation of duties increases the risk of unauthorised purchases being made.</p>	<p>M</p>	<p>All purchase orders are to be raised prior to the authorising of works/services or ordering goods. This will help to ensure works/services or goods have been appropriately authorised,</p> <p>The City should also review its current procurement processes by mandating independent reviews to ensure appropriate segregation of duties.</p>	<p>1. The supplier, Picton Civil are contracted by the City to provide for Wet/Dry Plant Hire. So while a Purchase Order was not raised, the plant hire rates were known.</p> <p>The Coordinator Works has advised that there were 3 POs raised previously for the same site undertaking the same works, they were 253701, 251768, and 251417. The explanation from the team was that they believed a PO was still open covering the works. Unfortunately, as Picton Civil has a habit of invoicing months later, it resulted in those open POs being used for other late invoices and this invoice ending up having no PO.</p> <p>2. The City's purchasing procedures allow for the same employee to raise a Purchase Order and to confirm receipt of the goods/services as shown on the invoice, to allow payment to be made. The City mitigates this loss of segregation of duties by allocating purchasing limits according to requirements of that position. This control together with the City's Purchasing Policy allows for the efficient purchase of goods and services.</p>

# Management Letter Points 2024

RISK	OBSERVATION AND IMPLICATION	RISK RATING	RECOMMENDATION	MANAGEMENT COMMENT
4. Manual journals (interim finding)	<p>During our testing of manual journals we noted 2 instances (out of 14 tested) where journal entries were reviewed by a more junior staff member than the preparer. Review of journal entries by a more junior staff member than the preparer limits the opportunity for an effective review of manual journals due to senior management holding positions of power and influence over more junior staff members.</p> <p>Accounting journals can represent significant adjustments to previously approved accounting transactions. Without effective review and oversight of manual journals posted there is an increased risk of erroneous or fraudulent transactions going undetected.</p>	M	To help maintain the integrity of the accounting system and ensure journals are correctly recorded and appropriately reviewed, we recommend that a person more senior than the preparer authorises all journal entries and evidence of authorisation is retained.	It is a requirement that a more senior officer reviews and authorises manual journals. Finance staff have been reminded of this requirement.

RISK RATING	DEFINITION
S	Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit opinion, it should be addressed promptly.
M	Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
M	Those findings that are not of primary concern but still warrant action being taken.

# Deliverables and Timetable

# Deliverables and Timetable

## AUDIT PLANNING

Engagement planning  
**February – March 2025**

Audit entrance meeting  
**4 March 2025**

## AUDIT FIELDWORK

Interim audit site visit  
**18 – 21 March 2025**

Interim management reporting  
**Mid April 2025**

Financial report provided to Auditor  
**15 September 2025**

Final audit site visit  
**22 – 26 September 2025**

## COMPLETION

Audit concluding memorandum to be issued  
**Mid-October 2025**

Audit exit meeting  
**Mid-November 2025**

## CONCLUSION

Signed financial report to be provided to auditor  
**Mid-November 2025**

Auditor's report to be issued to the City  
**Mid-November 2025**

We are committed to delivering your project on time and to deadline and will work with you to ensure the timelines suit your busy schedule. If any of our deadlines or key dates do not suit your schedule, please contact your Moore Australia audit team and we will work with you to ensure a better fit.



# Audit Team

# Audit Team

NAME	ROLE	CONTACT DETAILS
Jay Teichert	OAG Director	<a href="mailto:Jay.Teichert@audit.wa.gov.au">Jay.Teichert@audit.wa.gov.au</a> 6557 7640
Wen-Shien Chai	Moore Audit Partner	<a href="mailto:wen-shien.chai@moore-australia.com.au">wen-shien.chai@moore-australia.com.au</a> 9224 0172
James Arthur	Moore Associate Director	<a href="mailto:james.arthur@moore-australia.com.au">james.arthur@moore-australia.com.au</a> 9224 0174
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Kiara Gregorio	Moore Audit Graduate	<a href="mailto:kiara.gregorio@moore-australia.com.au">kiara.gregorio@moore-australia.com.au</a>

# Other Matters

# Other Matters

## INDEPENDENCE

We have established policies and procedures designed to ensure our independence, including policies on holding financial interests in the City and other related parties, business relationships, employment relationships, and the provision of non-audit services.

We have assessed our audit independence at the planning stage and to the best of our knowledge and belief, we are of the opinion that each engagement team member and partners of all Moore network firms in Australia are not in contravention of the auditor independence and ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) that are relevant to our audit of the financial report in Australia.

We have also fulfilled our other ethical responsibilities with the Code. We have further considered the safeguards the Moore Australia network has in place, and we are not aware of any services being provided that would compromise our independence as external auditor.

## AUDITOR'S RESPONSIBILITY TO CONSIDER FRAUD

As auditors, we obtain reasonable assurance that the financial report (taken as a whole) is free from material misstatements due to fraud or error.

Accordingly, certain procedures will be performed as part of our audit by way of enquiry, evaluation and review as required by the Australian Auditing Standards on fraud, ASA 240.

## CONFLICTS OF INTEREST

The firm is not aware of any existing or potential relationship, transaction or holding that would compromise its objectivity in the conduct of the services provided. Should the possibility of a perceived or actual conflict arise the matter would be raised with the City immediately and activities suspended until the issue was resolved to your satisfaction.

# Other Matters

## RESPONSIBILITIES OF MANAGEMENT AND THE COUNCIL

Management is responsible for the preparation of the City's Annual Financial Report that gives a true and fair view in accordance with Australian Accounting Standards, the Local Government Act 1995 (as amended) and the Local Government (Financial Management) Regulations 1996 (as amended) and for such internal controls management determines are necessary to enable the preparation of the Annual Financial Report that is free from material misstatement, whether due to fraud or error.

The primary responsibility for the prevention, deterrence and detection of fraud remains with the Council.

In preparing the Annual Financial Report, management is also responsible for assessing the City's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting.

The Council is responsible for overseeing the City's financial reporting process.

Under "Clarity" Australian Auditing Standards, as a precondition of accepting the engagement we are required to determine whether the financial reporting framework to be applied in the preparation of the City's Annual Financial Report is acceptable.

Given that the City's Annual Financial Report continues to be prepared as a general-purpose financial report in line with previous years and with no changes in terms of regulations or other issues that might impact the requirements of the report, as at the date of issuing this report we continue to consider this framework acceptable.

As part of the audit requirements, Management is to provide the auditor a written representation that:

- they have fulfilled their responsibility for the preparation of the financial report in accordance with the applicable and other statutory reporting requirements, including where relevant their fair presentation, as set out in the terms of the audit engagement;
- they have provided the auditor with all relevant information and access as agreed in the terms of the audit engagement;
- all transactions have been recorded and are reflected in the financial report; and
- (if any) significant representations made by management for which the auditor is relying on in forming the audit opinion.

Template letters will be provided towards the finalisation of the audit for this matter.

## ABOUT MOORE AUSTRALIA

Moore Australia is a network of independent accounting, audit, tax and business advisory firms with offices across Australia. Our independent network enables us to share expertise, knowledge and best practice to ensure our clients receive the best advice and highest quality of services, wherever they do business in Australia. With over 550 people at offices around the country, you are sure to be find an advisor near you.

We have extensive experience in all sectors which are at the heart of the Australian economy, such as biotechnology, energy, mining and renewables, health and aged care, education, manufacturing, not-for-profit, property and construction, state and local government, retail, tourism and hospitality. We prize ourselves on delivering service lines which help clients thrive, including but not limited to audit and assurance, business advisory, taxation, corporate finance, governance and risk advisory.

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