



UNCONFIRMED MINUTES

Shire of West Arthur
Audit, Risk and Improvement Committee Meeting
Monday 14 September 2026

Forest to Wheatbelt

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**MINUTES OF SHIRE OF WEST ARTHUR
AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING
HELD IN THE COUNCIL CHAMBERS
ON MONDAY, 14 SEPTEMBER 2026 AT 09:00 AM**

1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Presiding Member declared the meeting open at 5.01pm.

2 ATTENDANCE/APOLOGIES

**All Members attended the meeting remotely via Teams.*

MEMBERS:	Katrina Crute	(Independent Presiding Member)
	Karen Harrington	(Shire President)
	Graeme Peirce	(Elected Member)
	Helen Lubcke	(Elected Member)
	Phil Anastasakis	(Independent Deputy to the Presiding Member) - Observer

STAFF:	Vin Fordham Lamont	(Chief Executive Officer)
	Melinda King	(Manager Financial Reporting)
	Chamber	(Council Chambers)

APOLOGIES:	Kylie Caley	(Deputy Chief Executive Officer)
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ON LEAVE OF ABSENCE:	Nil
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ABSENT:	Nil
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3 DISCLOSURES OF INTEREST

Nil

4 CONFIRMATION OF MINUTES OF PREVIOUS MEETING HELD**4.1 AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING 16 MARCH 2026**

File Ref: ADM422
Author: Renee Schinzig, Administration Officer
Authorising Officer: Kylie Caley, Deputy Chief Executive Officer
Date: 08/09/2026

Statutory Environment:

Section 5.22 of the *Local Government Act* provides that minutes of all meetings are to be kept and submitted to the next ordinary meeting of the council or the committee, as the case requires, for confirmation.

VOTING REQUIREMENTS:

Simple Majority

RESOLUTION ARIC-2026-006

Moved: Cr Karen Harrington
Seconded: Cr Graeme Peirce

That the Minutes of the Audit, Risk and Improvement Committee meeting held in the Council Chambers on 16 March 2026 be confirmed as true and correct.

In Favour: Katrina Crute, Crs Karen Harrington, Graeme Peirce, Helen Lubcke
Against: Nil

CARRIED 4/0

5 REPORTS

5.1 COMPLIANCE AUDIT RETURN FOR 2025

File Ref:	ADM044
Location:	N/A
Applicant:	N/A
Author:	Renee Schinzig, Administration Officer
Authorising Officer:	Mark Hook, Acting Chief Executive Officer
Date:	10/08/2026
Disclosure of Interest:	Nil
Attachments:	1. Shire of West Arthur - Compliance Audit Return 2025

SUMMARY:

The Audit, Risk and Improvement Committee is requested to consider recommending to Council the adoption of the Compliance Audit Return (CAR) 2025, as presented, as the official return for the Shire of West Arthur for the period 1 January 2025 to 31 December 2025.

BACKGROUND:

The requirement for local governments to complete a CAR was introduced in 1999 and has therefore changed and developed throughout its years of implementation.

In recent years, the CAR has served three main purposes:

- It acts as a self-assessment tool that informs a local government's Audit, Risk and Improvement Committee and Council of any compliance issues so that action can be taken to rectify any issues by the local government itself.
- It informs a local government's community of their local government's ability to comply with their legislative requirements, enabling the community to hold their local government to account.
- It informs the regulator (DLGSC) of any compliance issues and provides insight into whether a local government is at risk of not providing good government for its district, through its inability to meet its legislative requirements.

COMMENT:

Each year, the local government is required to carry out a compliance audit for the period 1 January to 31 December of the previous year. The Shire's Audit, Risk and Improvement Committee is required to review the Compliance Audit Return and report the results of that review to Council.

The Shire appears to be mostly compliant with its legislative requirements. There was one abnormality in regards to Elected Member Training requirements in the 2025 Compliance Audit Return.

A draft spreadsheet of the CAR Questionnaire with responses has been provided to committee members under separate cover. The completed format ready for submission will be tabled at the meeting.

CONSULTATION:

Chief Executive Officer
Manager Financial Reporting
Community Development Officer
Administration Officer

STATUTORY ENVIRONMENT:

Local Government Act 1995 – section 7.13 – Regulations as to audits

Local Government (Audit) Regulations 1996 – reg. 14 - Compliance audits by local governments

POLICY IMPLICATIONS:

Nil

FINANCIAL IMPLICATIONS:

Nil

STRATEGIC IMPLICATIONS:

West Arthur Community Strategic Plan

Theme: Leadership and Management

Outcome: Establish and maintain sound business and governance structures

Strategy: Comply with regulations and best practice standards to drive good decision making by Council and staff

RISK IMPLICATIONS:

Risk management is the removal of uncertainty from business decisions. Risk is expressed in terms of likelihood it may occur and the consequences that may flow from it. The consequences may be positive or negative or simply a deviation from the expected. The risk or consequence may be related to health and safety; financial; business or service interruption; compliance; reputation; or the environment. ***Reference to the risk matrix below will generate a risk rating by assessing the likelihood and consequence and multiplying these scores by each other.*** The greater the risk rating, the greater the risk and the higher the need for specific plans to be developed. All items with a risk rating greater than 10 should be added to the Risk Register and specific controls developed.

Risk Themes:

A risk theme is the categorising of risk. For example, the collection of risks that represent compliance failure. The risk themes in the shire Risk Register include:

- Business Disruption
- Community Disruption
- IT or Communications Failure
- External Threat or Fraud
- Misconduct
- Inadequate safety or security practices
- Inadequate project or change management
- Errors Omissions or Delays
- Inadequate Document Management Processes
- Inadequate supplier / contract management
- Providing inaccurate advice / information
- Ineffective Employment practices
- Compliance failure
- Inadequate asset management
- Inadequate engagement practices
- Ineffective facility or event management
- Inadequate environmental management

Risk Matrix:

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (25)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

Description of Key Risk	Failing to comply with legislation, resulting in financial loss, reputational damage, etc
Risk Likelihood (based on history and with existing controls)	Possible (3)
Risk Consequence	Moderate (3)
Risk Rating (Prior to Treatment or Control): Likelihood x Consequence	Medium (9)
Principal Risk Theme	Compliance Failure
Risk Action Plan (Controls or Treatment Proposed)	Complete the annual compliance audit return and take note of non-compliance issues to ensure mistakes are not repeated

VOTING REQUIREMENTS:

Simple Majority

RESOLUTION ARIC-2026-007

Moved: Cr Karen Harrington

Seconded: Cr Katrina Crute

That the Compliance Audit Return for 2025, as presented, be recommended to Council for adoption as the official return for the Shire of West Arthur for the period 1 January 2025 to 31 December 2025.

In Favour: Katrina Crute, Crs Karen Harrington, Graeme Peirce, Helen LubckeAgainst: Nil**CARRIED 4/0**



**Local Government
Inspector**

2025 Compliance Audit Return

Local Government Authority: The Shire of West Arthur

Local Government Act 1995

s. 2.29

Has every person elected or appointed to a mayor, president, deputy, or councillor role made the required declaration in the prescribed form before a prescribed person, prior to acting in the office?

Response: Yes

s. 3.16

Has the local government reviewed local laws, which have not been reviewed in the previous 8 years, to ensure compliance with Schedule 9.3, Clause 65?

Response: Yes

s.3.57

Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?

Response: Yes

s. 3.58(3)

Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)?

Response: Yes

s. 3.58(4)

Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4) of the Act, in the required local public notice for each disposal of property?

Response: Yes

s. 3.59(2)(a)

Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2025?

Response: Yes

s. 3.59(2)(b)

Has the local government prepared a business plan for each major land transaction that was not exempt in 2025?

Response: Yes

s. 3.59(2)(c)

Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2025?

Response: Yes

s. 3.59(4)

Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2024?

Response: Yes

s. 3.59(5)

During 2025, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?

Response: N/A

Comments: No Major Land Transactions in 2025.

s. 5.16 (1)

Were all delegations to committees resolved by absolute majority?

Response: N/A

Comments: No delegations to committees.

s. 5.16 (2)

Were all delegations to committees in writing?

Response: N/A

Comments: No delegations to committees.

s. 5.17

Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995?

Response: N/A

Comments: No delegations to committees.

s. 5.18

Were all delegations to committees recorded in a register of delegations?

Response: N/A

Comments: No delegations to committees.

s. 5.36(4) and s. 5.37(3)

Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?

Response: N/A

Comments: No relevant vacancies in 2025.

s. 5.37(2)

Did the CEO inform council of each proposal to employ or dismiss senior employee?

Response: N/A

Comments: No relevant vacancies in 2025.

Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?

Response: N/A

Comments: No relevant vacancies in 2025.

s. 5.39B

Has the local government adopted and maintained model standards that incorporate the prescribed model standards within required timeframes (including amendments), ensured adoption by absolute majority, published an up-to-date version on its official website, and avoided including any inconsistent additional provisions?

Response: Yes

s. 5.42

Were all delegations to the CEO resolved by an absolute majority?

Response: Yes

Were all delegations to the CEO in writing?

Response: Yes

Comments: Written instruments issued post review.

s. 5.43

Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995?

Response: Yes

s. 5.44(2)

Were all employees delegated authority by the CEO under Section 5.44(1), issued with a written instrument of delegation?

Response: Yes

Comments: Written instruments issued post review. 14.1.2025

s. 5.45(1)(b)

Were all decisions by the Council to amend or revoke a delegation made by absolute majority?

Response: N/A

Comments: No changes.

s. 5.46

Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?

Response: Yes

Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2024/2025 financial year?

Response: Yes

Comments: 28.11.2024

Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19?

Response: Yes

Comments: Register kept in Skefto.

s. 5.50

If the local government paid a finishing employee an amount in addition to their entitlement, did the local government follow a policy it had adopted and published on its website outlining the circumstances in relation to payments made to terminated employees?

Response: N/A

If the local government made a payment to a finishing employee that is more than the amount set out in the policy, was local public notice given?

Response: N/A

s. 5.51A

Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government?

Response: Yes

Has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?

Response: Yes

s. 5.67

Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?

Response: Yes

s. 5.68(2)

Were all decisions regarding participation approval in relation to Section 5.68(2), including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting?

Response: Yes

s. 5.69(5)

Were all decisions regarding participation approval in relation to Section 5.69(5), including the extent of participation allowed recorded in the minutes of the relevant council or committee meeting?

Response: Yes

s. 5.70

Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?

Response: Yes

s. 5.71B(5) and (7)

Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?

Response: Yes

Was any decision made by the Minister under section 5.71B(6) of the Local Government Act 1995, recorded in the minutes of the council meeting at which the decision was considered?

Response: Yes

s. 5.73

Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made?

Response: Yes

s. 5.75

Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?

Response: Yes

s. 5.76

Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2025?

Response: Yes

s. 5.77

On receipt of a primary or annual return, did the CEO, or the Mayor/President, as the case may be, give written acknowledgment of having received the return?

Response: Yes

s. 5.88

Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995?

Response: Yes

Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28?

Response: Yes

After a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person?

Response: Yes

Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?

Response: Yes

s. 5.89A

Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A?

Response: Yes

Did the CEO publish an up-to-date version of the gift register on the local government's website?

Response: Yes

s. 5.90A

Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?

Response: Yes

s. 5.94

Does the local government have information available for members of the public to inspect, free of charge as prescribed under section 5.94 and Admin Reg 29, except where restricted under this section?

Response: Yes

s. 5.96

Where a person is entitled to inspect information under this Division, can the local government confirm that copies are available and that the price at which it sells copies does not exceed the cost of providing them, (unless prescribed otherwise)?

Response: Yes

s. 5.96A

Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?

Response: Yes

s. 5.104

Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates that incorporates the model code of conduct?

Response: Yes

Did the local government adopt additional requirements in addition to the model code of conduct?

Response: N/A

Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website?

Response: Yes

s. 5.128

Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?

Response: Yes

s. 7.12A(3), (4) and (5)

Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?

Response: N/A

Comments: No significant matters raised.

Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters?

Response: N/A

Comments: No significant matters raised.

Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website?

Response: Yes

Local Government (Administration) Regulations 1996

r. 18F

Were the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995?

Response: Yes

r. 19AB

Does the code of conduct contain the requirement that a local government employee (not including the CEO) must not accept a prohibited gift from an associated person?

Response: Yes

r. 19AC

Does the local government's code of conduct include requirements for the recording, storing, disclosure, and use of information relating to gifts accepted by local government employees (excluding the CEO) from associated persons, in accordance with regulatory requirements?

Response: Yes

r. 19AE

Does the local government's code of conduct include requirements addressing employee behaviour in the performance of duties, interactions with others, use and disclosure of information, use of local government resources and finances, the keeping of records, and the reporting and management of suspected breaches and misconduct, in accordance with regulatory requirements?

Response: Yes

r. 19B

Did the local government include in its annual report all information required under section 5.53(2)(g) and (i) and regulation 3A(2), including number of employee's in salary bands over \$130,000, remuneration and allowances paid, ordered payments, CEO remuneration, council member meeting attendance, available demographic information about council members, and details of any modifications to the strategic community plan or significant modifications to the corporate business plan?

Response: Yes

r. 19C

Has the local government adopted by absolute majority a strategic community plan?

Response: Yes

Comments: Review undertaken by consultant in 2023.

Adoption date or the date of the most recent review: 27/07/2021

r. 19DA

Has the local government reviewed its corporate business plan in accordance with Admin Regulation 19DA(4)?

Response: Yes

Comments: Desktop review undertaken each quarter. Fuller review being done in 2027-2028

Date of review: 30/09/2025

Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?

Response: Yes

r. 22

No response required. This is covered by s5.75.

r. 23

No response required. This is covered by s5.76.

r. 28

No response required. This is covered by s5.88(1).

r. 28A

No response required. This is covered by s5.89A(1).

r. 29

No response required. This is covered by s5.94.

r. 29C

Does the local government publish all prescribed information on its official website— including up-to-date policies, required details of council member and employee returns, council member fees and allowances,

and relevant public notices—within the specified timeframes and in accordance with legislative requirements?

Response: Yes

r. 35

Has every local government council member completed and passed the Council Member Essentials course, consisting of the five required modules and delivered by an approved provider, within 12 months of being elected?

Response: No

Comments: Cr Prowse did not complete 1 module as the training session was cancelled.

r. 36

Does the local government appropriately identify and document council members who are exempt from the training requirements under section 5.126(1), including verifying that the member:

- has completed an approved course within the specified 5-year period prior to election, or
- completed the LGASS00002 Elected Member Skill Set before 1 July 2019 within the relevant timeframe, or
- qualifies for the transitional exemption applicable to council members in office at the commencement of the 2019 regulatory amendments?

Response: N/A

Local Government (Audit) Regulations 1996

r. 10

Was the auditor's report for the financial year ending 30 June 2025 received by the local government within 30 days of completion of the audit?

Response: Yes

r. 17

Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2025?

Response: Yes

Date of council's resolution to accept the report: 27/03/2025

Local Government (Constitution) Regulations 1998

r. 11FA

Did the CEO provide the Minister a report as to the result of the election within 14 days of the declaration and in the form of Form 20 of the Local Government (Elections) Regulations 1997, modified as necessary?

Response: Yes

r. 13

Were all required oaths, affirmations and declarations under section 2.42 (in relation to Commissioners) made in the correct form (Form 8), before the appropriate authorised person?

Response: Yes

Local Government (Elections) Regulations 1997

r. 30G

Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997?

Response: Yes

Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997?

Response: N/A

Comments: No gifts received.

Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997?

Response: Yes

Local Government (Financial Management) Regulations 1996

r. 5

Has the CEO ensured efficient systems and procedures are established under provisions set out in Financial Management Regulations 5(1)(a) to (g)?

Response: Yes

r. 6

Has the local government ensured that any employee delegated responsibility for day-to-day accounting or financial management operations is not also delegated the responsibility for conducting internal audits, reviewing their own duties, or for managing, directing or supervising someone who carries out these functions?

Response: Yes

r. 7

Did the local government ensure it has regard to the needs of the inhabitants of the district as a whole and not keep separate ward accounts or determine expenditure on the basis of revenue from a ward?

Response: Yes

r. 8

Does the local government maintain separate accounts with a bank or other financial institution for money to be held in the municipal fund, trust fund and for reserve account purposes?

Response: Yes

r. 9

Did the local government keep separate financial records for each trading undertaking and each major land transaction?

Response: Yes

r. 11

Has the local government developed procedures for the authorisation of, and the payment of, accounts in accordance with Local Government (Financial Management) Regulations 11(1), (2) and (3)?

Response: Yes

r. 12

Were payments made from the municipal fund or trust fund made by the CEO under a delegated authority or authorised, in accordance with regulation 13(2), in advance by a council resolution?

Response: Yes

r. 13

Can the local government confirm that, where the CEO has been delegated authority to make payments from the municipal or trust fund, the CEO prepared accurate monthly lists that are presented at the next ordinary council meeting and recorded in the minutes?

- includes the payee's name, payment amount, payment date, and sufficient information to identify each transaction where payments have already been made; or
- includes the payee's name, payment amount, sufficient information to identify each transaction, and the date of the council meeting (to which the list will be presented) for accounts requiring council approval.

Response: Yes

r. 13A

Did the local government prepare a list each month of all payments made using employee-authorised credit, debit or other purchasing cards, and include the payee's name, the amount of the payment, the date of the payment, sufficient information to identify the payment, and present the list at the next ordinary council meeting (and record in the minutes)?

Response: Yes

r. 19

Has the local government established and documented internal control procedures to enable identification of the nature and location of all investments and any related transactions?

Response: Yes

r. 19C

Has the local government ensured that all investments made under section 6.14(1) comply with statutory restrictions set out in Financial Management Reg. 19C?

Response: Yes

Local Government (Functions and General) Regulations 1996

r. 7

No response required. This is covered by s3.59(2).

r. 9

No response required. This is covered by s3.59(2).

r. 10

No response required. This is covered by s3.59(2).

r. 11A

Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?

Response: Yes

r. 11

No response required. This is covered by s3.57.

r. 12

Did the local government consider the implications of Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?

Response: Yes

r. 14(1), (3) and (5)

If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents, or each acceptable tenderer notice of the variation?

Response: Yes

r. 15

Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?

Response: Yes

r. 16

No response required. This is covered by r. 15.

r. 17

Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?

Response: Yes

r. 18(1) and (4)

Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?

Response: Yes

Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?

Response: Yes

r. 19

Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?

Response: Yes

r. 21

Does the local government's advertising and expression of interest processes for limiting who can tender comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?

Response: Yes

r. 22

No response required. This is covered by r. 21.

r. 23

Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?

Response: No

Comments: No expressions rejected.

Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?

Response: Yes

r. 24

Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24?

Response: Yes

r. 24AD(2), (4) and (6)

Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions & General) Regulations 1996 regulations 24AD(4) and 24AE?

Response: N/A

Comments: No panel created in 2025.

If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?

Response: N/A

Comments: No panel created in 2025.

r. 24AE

No response required. This is covered by r. 24AD(2), (4) and (6).

r. 24AF

No response required. This is covered by r. 24AD(2), (4) and (6).

r. 24AG

Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG?

Response: N/A

Comments: No panel created in 2025.

r. 24AH(1) and (3)

Did the local government reject any applications to join a panel of prequalified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?

Response: N/A

Comments: No panel created in 2025.

Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?

Response: N/A

Comments: No panel created in 2025.

r. 24AI

Did the CEO send each applicant written notice advising them of the outcome of their application?

Response: N/A

Comments: No panel created in 2025.

r. 24E

Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?

Response: N/A

Comments: No panel created in 2025.

r. 24F

No response required. This is covered by r. 24E.

I certify this is a true and accurate copy of the 2025 Compliance Audit Return, as adopted by Council at the meeting of _____ 2026.

CEO

Date

Mayor or President

Date

5.2 INTERIM AUDIT RESULTS - YEAR ENDING 30 JUNE 2026

File Ref:	ADM133
Location:	N/A
Applicant:	N/A
Author:	Kylie Caley, Deputy Chief Executive Officer
Authorising Officer:	Mark Hook, Acting Chief Executive Officer
Date:	17/08/2026
Disclosure of Interest:	Nil
Attachments:	1. Interim Management Letter - 30 June 2026 2. Audit Planning Report FY26

SUMMARY:

The purpose of this report is for the Audit, Risk and Improvement Committee (ARIC) to consider the issues raised from the interim audit conducted by SW Accountants & Advisors (SWAA) on behalf of the Office of the Auditor General (OAG).

BACKGROUND:

As per the Terms of Reference endorsed by Council at the Ordinary Meeting of Council held on 16 June 2026 one of the principal duties and responsibilities of the ARIC is to examine the reports of the auditor after receiving a report from the CEO on the matters and -

- Determine if any matters raised require action to be taken by the local government; and
- Ensure that the appropriate action is taken in respect of those matters.

An Audit Planning Summary was provided by SWAA in March 2026, outlining the proposed audit approach and methodology and providing assurance regarding independence and compliance with the Australian Auditing Standards. The summary also identified materiality considerations, key risk and audit focus areas, and an assessment of the Shire's control environment.

The Audit Planning Summary has previously been provided to Council; however, it has been attached again for Councillors' information and reference.

An entrance meeting was held in May 2026 with staff and Councillors to discuss the contents of the Audit Planning Summary, including the planned audit process and timeframes for the 2025/2026 audit.

COMMENT:

In accordance with section 7.2 of the Local Government Act 1995, the accounts and annual financial report of a local government for each financial year are required to be audited by an Auditor. Part 7 of the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996* set out the requirements and process for the audit.

The interim audit was conducted onsite from 28 – 29 May 2026. Staff responded to numerous information requests in the lead up and during the audit visit and the interim audit findings were received by the administration on 6 August 2026.

The Auditors Management Letter is attached to this item. The two (2) issues raised in the management letter are as follows:

Index of findings	Potential impact on audit opinion	Rating	Year first raised
1. Capital work-in-progress transfers	No	Moderate	2026
2. IT general controls – user access management	No	Minor	2026

CONSULTATION:

Nil

STATUTORY ENVIRONMENT:**Local Government Act 1995****7.12A. Duties of local government with respect to audits**

- (1) A local government is to do everything in its power to —
 - (a) assist the auditor of the local government to conduct an audit and carry out the auditor's other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (3) A local government must —
 - (aa) examine an audit report received by the local government; and
 - (a) determine if any matters raised by the audit report, require action to be taken by the local government; and
 - (b) ensure that appropriate action is taken in respect of those matters.

Local Government (Audit) Regulations 1996**16. Functions of audit, risk and improvement committee**

An audit, risk and improvement committee has the following functions —

- (a) to receive and review reports on, and recommend to the council actions to be taken in relation to —
 - (iii) audits under Part 7 of the Act; and
 - (iii) compliance audits; and
 - (iii) reviews under regulation 17;
- (a) to otherwise receive and review reports on the appropriateness and effectiveness of, and recommend to the council improvements to, the local government's systems and procedures in relation to —
 - (iii) financial management; and
 - (iii) legislative compliance; and
 - (iii) risk management;
- (a) to receive and review reports on, and recommend to the council improvements to, the implementation of any actions that the local government —
 - (iv) is required to take under section 7.12A(3); and
 - (iv) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and

- (iv) has otherwise decided to take in response to a report or recommendation referred to in paragraph (a) or (b); and*
- (iv) has stated it has done or proposes to do in written advice prepared under section 8.6(1)(a) or 8.23(4)(a);*
- (a) any other function conferred on the audit, risk and improvement committee under these regulations or another written law.*

POLICY IMPLICATIONS:

Nil

FINANCIAL IMPLICATIONS:

This item reports on financial processes and systems used by the shire. The recommendation does not in itself have a financial implication.

STRATEGIC IMPLICATIONS:

The Shire of West Arthur Strategic Community Plan – Towards 2031 provides:

Leadership and Management – inspirational, dynamic, transparent

Outcome 4.3 - Establish and maintain sound business and governance structures

- *Ensure that the local community is provided with value for money through the prudent expenditure of rates.*
- *Provide informed decision making based on our strategic directions and legal requirements and that these are open, transparent and adequately communicated with the community.*
- *Comply with regulations and best practice standards to drive good decision making by Council and Staff*

RISK IMPLICATIONS:

Risk management is the removal of uncertainty from business decisions. Risk is expressed in terms of likelihood it may occur and the consequences that may flow from it. The consequences may be positive or negative or simply a deviation from the expected. The risk or consequence may be related to health and safety; financial; business or service interruption; compliance; reputation; or the environment. ***Reference to the risk matrix below will generate a risk rating by assessing the likelihood and consequence and multiplying these scores by each other.*** The greater the risk rating, the greater the risk and the higher the need for specific plans to be developed. All items with a risk rating greater than 10 should be added to the Risk Register and specific controls developed.

Risk Themes:

A risk theme is the categorising of risk. For example, the collection of risks that represent compliance failure. The risk themes in the shire Risk Register include:

- Business Disruption
- Community Disruption
- IT or Communications Failure
- External Threat or Fraud
- Misconduct
- Inadequate safety or security practices
- Inadequate project or change management
- Errors Omissions or Delays
- Inadequate Document Management Processes
- Inadequate supplier / contract management
- Providing inaccurate advice / information
- Ineffective Employment practices

- Compliance failure
- Inadequate asset management
- Inadequate engagement practices
- Ineffective facility or event management
- Inadequate environmental management

Risk Matrix:

Consequence Likelihood		Insignificant	Minor	Moderate	Major	Catastrophic
		1	2	3	4	5
Almost Certain	5	Medium (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Medium (8)	High (12)	High (16)	Extreme (25)
Possible	3	Low (3)	Medium (6)	Medium (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Medium (6)	Medium (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Medium (5)

Description of Key Risk	Deficiencies identified through the interim audit may indicate non-compliance with legislative and regulatory requirements, resulting in penalties, increased scrutiny, and reputational harm.
Risk Likelihood (based on history and with existing controls)	Possible (3)
Risk Consequence	Moderate (3)
Risk Rating (Prior to Treatment or Control): Likelihood x Consequence	Medium (9)
Principal Risk Theme	Governance and Compliance
Risk Action Plan (Controls or Treatment Proposed)	Management to address all interim audit findings through an action plan, regular monitoring, and continuous improvement of internal controls and compliance processes.

VOTING REQUIREMENTS:

Simple Majority

RESOLUTION ARIC-2026-008

Moved: Cr Graeme Peirce

Seconded: Cr Karen Harrington

That the Committee notes the two (2) matters raised in the Auditors Management Letter for the 2025/2026 Interim Audit.

In Favour: Crs Katrina Crute, Karen Harrington, Graeme Peirce, Helen Lubcke

Against: Nil

CARRIED 4/0

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6 NEW OR URGENT BUSINESS INTRODUCED BY DECISION OF THE MEETING

Nil

7 CLOSURE OF MEETING

The Presiding Member declared the meeting closed at 5.16pm.