



CONFIRMED MINUTES

Shire of West Arthur
Audit, Risk & Improvement Committee Meeting
Thursday 15 December 2025

These Minutes were confirmed at the Audit, Risk & Improvement Committee meeting on 16 March 2026.

Signed:

Presiding Member at the meeting at which the Minutes were Confirmed.

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The purpose of this council meeting is to discuss and, where possible, make resolutions about items appearing on the agenda. Whilst Council has the power to resolve such items and may in fact, appear to have done so at the meeting, no person should rely on or act on basis of such decision or on any advice or information provided by a member or officer, or on the content of any discussion occurring, during the course of the meeting.

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**MINUTES OF SHIRE OF WEST ARTHUR
AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING
HELD IN THE COUNCIL CHAMBERS
ON MONDAY, 15 DECEMBER 2025 AT 04:00 PM**

1 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Presiding Member declared the meeting open at 4.01pm.

2 ATTENDANCE/APOLOGIES

| | | |
|----------------------|---------------------|-------------------------------|
| MEMBERS: | Cr Karen Harrington | (Presiding Member) |
| | Cr Helen Lubcke | (Elected Member) |
| STAFF: | Vin Fordham Lamont | (Chief Executive Officer) |
| | Rajinder S Sunner | (Manager Corporate Services) |
| | Melinda King | (Manager Financial Reporting) |
| APOLOGIES: | Cr Graeme Peirce | (Elected Member) |
| ON LEAVE OF ABSENCE: | Nil | |
| ABSENT: | Nil | |

3 PUBLIC QUESTION TIME

Nil

4 DISCLOSURES OF INTEREST

Nil

5 CONFIRMATION OF MINUTES OF PREVIOUS MEETING HELD**5.1 AUDIT & RISK COMMITTEE MEETING 18 MARCH 2025**

File Ref: ADM422
Author: Renee Schinzig, Administration Officer
Authorising Officer: Rajinder S Sunner, Manager Corporate Services
Date: 10/12/2025

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-2025-141

Moved: Cr Helen Lubcke
Seconded: Cr Karen Harrington

That the Minutes of the Audit and Risk Committee Meeting held in the Council Chambers on 18 March 2025 be confirmed as true and correct.

In Favour: Crs Karen Harrington, Helen Lubcke
Against: Nil

CARRIED 2/0

6 REPORTS

6.1 ACCEPTANCE OF AUDITED ANNUAL FINANCIAL STATEMENT AND AUDIT REPORT 2024-25

| | |
|--------------------------------|--|
| File Ref: | ADM133 |
| Location: | N/A |
| Applicant: | N/A |
| Author: | Rajinder S Sunner, Manager Corporate Services |
| Authorising Officer: | Vin Fordham Lamont, Chief Executive Officer |
| Date: | 10/12/2025 |
| Disclosure of Interest: | Nil |
| Attachments: | 1. Shire of West Arthur Annual Report 2024-2025 (under separate cover) 2. Transmittal Letter to CEO - Shire of West Arthur - 30 June 2025 3. 2025 Audit Completion Report - 30 June 2025 (Confidential) 4. Interim Management Letter Attachment - Shire of West Arthur - 30 June 2025 (Confidential) 5. Shire of West Arthur - Final Management Letter Attachment - 30 June 2025 (Confidential) |

SUMMARY:

The Audit, Risk and Improvement Committee is asked to consider accepting the Independent Auditor's Report from the Office of the Auditor General and recommend the endorsement to Council of the audited 2024/2025 Annual Financial Report as part of the 2024/2025 Annual Report.

BACKGROUND:

In accordance with s6.4 of the Local Government Act 1995 (LGA), a local government is required to prepare an annual financial report for the preceding financial year.

S7.9 of the LGA requires that an auditor examine the annual financial report. The Office of the Auditor General (OAG) is responsible for these examinations (audits).

The OAG contracted AMD Chartered Accountants (AMD) to perform the required audit for the financial year ended 30 June 2025.

An audit planning summary was provided by AMD in March 2025, detailing the audit approach and methodology, which assured independence and compliance with Australian Auditing Standards. That document also referenced the consideration of materiality and the risk of fraud within the scope of the audit, as well as the Shire's responsibilities in this regard.

The planning summary also detailed planned meetings, including the exit meeting and the discussion of the financial report, the independent auditor's report, and the management letter (all attached to this item).

The audit also considered risk and audit issues, activity cycles, significant financial accounts, the audit approach, the management representation letter, reporting protocols, and audit evidence.

COMMENT:

Regulation 16 of the *Local Government (Audit) Regulations 1996* sets out the functions of an Audit Committee. These functions include guiding and assisting the local government in carrying out its responsibilities related to audits and other financial management matters.

The Interim Audit was conducted in May 2025. The Interim Audit Management Letter is attached to this item for information purposes.

The Annual Audit was conducted in October 2025. On 10 December 2025, AMD and the OAG conducted an audit exit meeting with the Audit and Risk Committee represented by Cr. Harrington (Shire President), together with the Chief Executive Officer and the Manager Corporate Services.

At the exit meeting, the auditors confirmed that the Shire of West Arthur had received an unqualified audit opinion for the review period. This essentially means that the Shire “passed” the audit. Note that the attached Independent Auditor’s Report notes one significant issue to be addressed.

The annual financial report is incorporated into the annual report, which is then presented to Council for adoption.

Please refer to the attached Interim and Final Management Letters for details of the issues raised by the auditors, and management’s responses.

CONSULTATION:

AMD
Office of the Auditor General
Chief Executive Officer
Manager Financial Reporting

STATUTORY ENVIRONMENT:

Local Government Act 1995

s6.4 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.*

s7.9. Audit to be conducted.

- (1) *An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —*
- (a) the mayor or president; and*
 - (b) the CEO of the local government; and*
 - (c) the Minister.*

Local Government Financial Management Regulation 1996

Part 4 – Financial Reports

Local Government (Audit) Regulations 1996

9. Performance of Audit

10. Report by auditor

- (1) *An auditor’s report is to be forwarded to the persons specified in section 7.9(1) within 30 days of completing the audit.*

- (a) *The report is to give the auditor's opinion on*
- (b) *the financial position of the local government; and*
- (c) *the results of the operations of the local government.*

(2) *The report must include a report on the conduct of the audit. [(4A) deleted]*

(3) *Where it is considered by the auditor to be appropriate to do so, the auditor is to prepare a management report to accompany the auditor's report and to forward a copy of the management report to the persons specified in section 7.9(1) with the auditor's report."*

16. Functions of Audit Committee

POLICY IMPLICATIONS:

Nil

FINANCIAL IMPLICATIONS:

There are no additional financial implications to this item. (Audit costs were included in Council's 2025/2026 annual budget.

STRATEGIC IMPLICATIONS:

Shire of West Arthur Community Strategic Plan 2021-2031

Theme: Leadership and Management – Inspirational, dynamic, transparent.

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 | | Insignificant | Minor | Moderate | Major | Catastrophic |
|----------------|---|---------------|------------|------------|--------------|--------------|
| Likelihood | | 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 and regulations may result in penalties and reputational damage. |
| 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) | Accept Audited Annual Financial Statements and notes and endorse actions and strategies determined by management. |

VOTING REQUIREMENTS:

Simple Majority

RESOLUTION ARIC-2025-142

Moved: Cr Helen Lubcke

Seconded: Cr Karen Harrington

That the Audit & Risk Committee:

1. Receive the Annual Financial Report for the year ended 30 June 2025 and recommend to Council that it be endorsed as part of the 2024/2025 Annual Report.
2. Receive and accept the 2024/2025 Independent Auditor’s Report from the Office of the Auditor General.
3. Endorse actions and strategies determined by management in response to the Interim Audit Management Letter.
4. Endorse the actions and strategies determined by management in response to the Final Audit Management Letter.

In Favour: Crs Karen Harrington, Helen Lubcke

Against: Nil

CARRIED 2/0



Our Ref: 7964-002

Mr Vin Fordham Lamont
Chief Executive Officer
Shire of West Arthur

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469 Wellington Street, Perth

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PO Box 8489
PERTH WA 6849

Tel: 08 6557 7500
Email: info@audit.wa.gov.au

Email: ceo@westarthur.wa.gov.au

Dear Mr Fordam Lamont

ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED 30 JUNE 2025

The Office has completed the audit of the annual financial report for your Shire. In accordance with section 7.12AD (2) of the *Local Government Act 1995*, we enclose the Auditor General's auditor's report, together with the audited annual financial report.

We have also forwarded the reports to the President and the Minister for Local Government, as required by the Act. You are required to publish the annual report, including the auditor's report and the audited financial report, on your Shire's official website within 14 days after the annual report has been accepted by your Council.

Management control issues

While the result of the audit was generally satisfactory, I would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the audit. These matters have been discussed with management and their comments have been included in the attachment.

Please note that the purpose of our audit was to express an opinion on the financial report. The audit included consideration of internal control relevant to the preparation of the financial report in order to design audit procedures that were appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control.

An audit is not designed to identify all internal control deficiencies that may require management attention. The matters being reported are limited to those deficiencies that have been identified during the audit that are of sufficient importance to warrant being reported. It is possible that other irregularities and deficiencies may have occurred and not been identified as a result of our audit.

The date the financial statements submitted by your entity and considered to be of audit ready quality is 30 September 2025. This date will be reported in our local government sector audit results report to be tabled in Parliament. I am providing this date for completeness of our Office's procedural fairness process.

If you have any queries in relation to this date, please contact me on 6557 7747 within 14 days of the date of this letter. If we do not hear from you, we will take this as confirmation of the date.

This letter has been provided for the purposes of the Shire and the Minister for Local Government and may not be suitable for other purposes.

I would like to take this opportunity to thank you, the management and the staff of the Shire for their cooperation with the audit team during our audit.

Yours sincerely



Tamara McCarthy
Assistant Director
Financial Audit
10 December 2025

Attach

CONFIDENTIAL ATTACHMENT
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7 NEW OR URGENT BUSINESS INTRODUCED BY DECISION OF THE MEETING

Nil

8 CLOSURE OF MEETING

The Presiding Member declared the meeting closed at 4.05pm.