



Shire of
Plantagenet

Mount Barker • Kendenup • Narrikup
Porongurup • Rocky Gully

AUDIT RISK AND IMPROVEMENT COMMITTEE MINUTES

**A meeting of the Audit Risk and Improvement Committee
was held in the Committee Room,
Lowood Road, Mount Barker WA 6324
at 4.00pm on Tuesday 23 December 2025**

**Julian Murphy
CHIEF EXECUTIVE OFFICER**

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1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Presiding Member declared the meeting open at 4.00pm.

2 RECORD OF ATTENDANCE / APOLOGIES

Members Present

Cr L Handasyde (Presiding Member)
Cr W Sheard
Cr A Fraser (Deputy)
Cr M O’Dea (Deputy)

Observers

Nil

Staff

Mr Julian Murphy – Chief Executive Officer
Mr Anthony Middleton - Executive Manager Corporate and Community Services
Ms Kylie Caley – Manager of Finance

Apologies

Cr J Liebeck (Deputy Presiding Member)
Cr K Tyrer

Leave of Absence

Nil

3 CONFIRMATION OF MINUTES

OFFICER RECOMMENDATION / COMMITTEE DECISION

Moved Cr W Sheard, seconded Cr M O’Dea:

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

CARRIED (4-0)

4 DISCLOSURE OF INTEREST

Part 5 Division 6 Local Government Act 1995

There were no disclosures of interest.

5 REPORTS OF COMMITTEE MEMBERS AND OFFICERS

5.1 COMMITTEE STATUS REPORT

Refer to attachment 5.1.1. A summary of the open items on the Status Report each meeting is as follows:

Summary:

Month	August 2025	December 2025		
Number of Active Items	40	37		

The Committee Status Report was noted.

5.2 ANNUAL FINANCIAL REPORT 2024/2025

Attachment:	<u>1. Annual Financial Report 2024/2025</u> <u>2. Auditors Management Letter</u>
Responsible Officer:	Anthony Middleton Executive Manager – Corporate & Community
Author:	Kylie Caley Manager of Finance
Proposed Meeting Date:	23 December 2025

PURPOSE

The purpose of this report is to consider the 2024/2025 Annual Financial Report, including the Independent Auditors Report.

BACKGROUND

In accordance with s5.53 of the *Local Government Act 1995* (the Act) a local government is required to prepare and accept an annual report for each financial year, no later than 31 December after that financial year.

Furthermore, in accordance with s5.54 of the Act, if the auditor's report is not available in time for the annual report to be accepted by 31 December after the financial year, the annual report is to be accepted by the local government no later than two (2) months after the auditor's report becomes available.

Representatives from Lincoln's on behalf of the Office of the Auditor General (OAG), conducted an interim audit onsite 1-3 April 2025 followed by the final audit 21-22 October 2025.

The auditors report and management letter regarding the 2024/2025 Annual Financial Report was received from the OAG on 16 December 2025.

EXTERNAL CONSULTATION

Nil

STATUTORY ENVIRONMENT

Local Government Act 1995, Part 5 – Administration, s5.26 – s5.33

Local Government Act 1995, Part 5 – Administration, s5.53 – s5.55A

Local Government Act 1995, Part 6 - Financial Management

Local Government Act 1995, Part 7 - Audit

Local Government (Financial Management) Regulations 1996, Part 4

POLICY IMPLICATIONS

Policy implications do not apply for this report and it is the opinion of the author that policy development is not required.

FINANCIAL IMPLICATIONS

This item reports on the financial position of the Shire as at 30 June 2025. The recommendation does not in itself have a financial implication.

BUDGET IMPLICATIONS

There are no budget implications for this report.

LEGAL IMPLICATIONS

There are no legal implications for this report.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications as no assets are being created or acquired.

STRATEGIC IMPLICATIONS

The Shire of Plantagenet Corporate Business Plan 2025 - 2029 provides:

At Key Pillar 4 Performance & Leadership the following:

Strategy 4.2:

‘A Shire that is open and transparent with its community.’

Corporate Action 4.2.3 - Develop effective reporting and communication tools relevant to the way our community access information

Strategy 4.3:

‘Commitment to continuous improvement in service delivery.’

Corporate Action 4.3.2 - Be transparent with our financial management by reporting regularly readable and meaningful financial data to the community

Accordingly, the recommended outcome for this report aligns with the Corporate Business Plan.

STRATEGIC RISK IMPLICATIONS

Low Risk

This item has been evaluated against the Shire of Plantagenet Risk Assessment and Acceptance Criteria. The perceived level of risk is considered to be “Low” risk and can be managed by routine procedures and with currently available resources.

REGIONAL IMPLICATIONS

There are no regional implications for this report.

OFFICER COMMENT

The 2024/2025 Annual Report provides an overview of the Shire's operations, activities, and major projects undertaken during the financial year along with the audited financial statements.

The annual financial statements can be summarised by the following:

- Net Operating Result of \$11.9m loss. due primarily to depreciation of \$16.5m (page 3)
- The year resulted in a negative cash flow of \$435,746 with total cash and cash equivalents of \$9.2m of which \$6.5m is held in reserves (page 6 & 12)
- The Shire is in a surplus position at 30 June 2025 of \$2.67m (page 7)
- Current rate receivables at 30 June 2025 were \$529,431, or 6.5% of 2024/2025 rates revenue (page 13)
- Rates raised for the year totalled \$8.18m (page 34)
- Loan borrowings for the year reduced from \$1.26m to \$878k (page 36); and
- Reserve accounts increased from \$6.1m to \$6.5m. The reserve accounts were reviewed in November 2024 to address the appropriateness of the reserve accounts and suitability of the balances. 10 new reserves were created while 4 reserves were closed with the balances distributed. (page 38).

The Auditors Management Letter is attached to this item for transparency and full disclosure. The four (4) issues raised in the management letter will be added to the 'Status Report' (refer item 5.1) for inclusion in future Committee agendas. This will ensure that Committee members can monitor staff progress in addressing each item.

The four issues raised were as follows:

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Non Compliance Laws & Regs – Reg 17 Review Not Completed	No		✓		

2. Employee Provisions Review	No		✓		
3. Excessive annual leave balances	No			✓	
4. Possibly contaminated sites review	No	✓			

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION/COMMITTEE DECISION

Moved Cr M O’Dea, seconded Cr W Sheard:

That the Committee:

1. Notes the four (4) matters raised in the Auditor’s Management Letter and they be incorporated into the Committee Status Report; and
2. Recommends that Council Adopts the 2024/2025 Annual Financial Report.

CARRIED (4-0)

6 GENERAL BUSINESS

Nil

7 NEXT MEETING

10 March 2026 (propose to be held quarterly on Council Forum days, subject to Committee member availability).

8 CLOSURE OF MEETING

The Presiding Member declared the meeting closed at 4.25pm.

CONFIRMED: PRESIDING MEMBER _____ DATE: ___/___/___