Shire of Plantagenet

Mount Barker • Kendenup • Narrikup
Porongurup • Rocky Gully

# AUDIT RISK AND IMPROVEMENT COMMITTEE

# AGENDA

NOTICE IS HEREBY GIVEN that a
meeting of the Audit Risk and Improvement Committee
will be held in the Committee Room,
Lowood Road, Mount Barker WA 6324
at 3pm on Tuesday 22 September 2026

**Garry Bird**

**CHIEF EXECUTIVE OFFICER**

## Committee Function

Under section 16 of the *Local Government (Audit) Regulations 1996*, the Audit Committee is responsible for:

Guiding and assisting Council in carrying out:

a) Its functions under Part 6 of the Act

b) Its functions relating to other audits and other matters related to financial management; and,

c) Part 7 of the Act in relation to auditing the Shire's financial accounts.

d) Reviewing the CEO's report required under regulation 17(3).

Monitoring and advising the CEO when the CEO is carrying out functions in relation to a review under:

(a) regulation 17(1); and

(b) the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c).

Supporting the Auditor conducting an audit and carrying out the Auditor's other duties under the Act.

Overseeing the implementation of any action that Council:

(a) is required to take, has stated it has taken or intends to take, in respect to matters raised by the audit report;

(b) has accepted should be taken on receipt of the CEO's report of a review under regulation 17(1); and

(c) has accepted should be taken on receipt of the CEO's report under regulation 5(2)(c) of *Local Government (Financial Management) Regulations 1996*.

The Audit Committee's duties include:

(a) considering the Auditor's interim audit of the Shire's accounting and internal control procedures for the financial year;

(b) reviewing the audited financial report for the previous financial year;

(c) reviewing the interim and final audit reports for the financial year;

(d) reviewing the annual Compliance Audit Return;

(e) reviewing the CEO's triennial report on the appropriateness and effectiveness of the Shire's systems and procedures regarding risk management, internal controls and legislative compliance;

(f) reviewing the CEO's triennial report on the appropriateness and effectiveness of the Shire's financial management systems and procedures; and

(g) providing a report to Council on those matters.

# TABLE OF CONTENTS


| ITEM | SUBJECT | PAGE NO |
|---|---|---|
| **1** | **DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS** | **5** |
| **2** | **RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE** | **5** |
| **3** | **CONFIRMATION OF MINUTES** | **5** |
| **4** | **DEPUTATIONS/PRESENTATIONS** | **5** |
| **5** | **DISCLOSURE OF INTEREST** | **5** |
| **6** | **REPORTS OF COMMITTEE MEMBERS AND OFFICERS** | **6** |
| | 6.1 COMPLIANCE AUDIT REPORT | 6 |
| | 6.2 INTERIM AUDIT RESULTS – YEAR ENDING 30 JUNE 2026 | 9 |
| | 6.3 COMMITTEE STATUS REPORT | 11 |
| **7** | **GENERAL BUSINESS** | **12** |
| | 7.1 ITEMS FOR THE COMMITTEE'S INFORMATION | 12 |
| **8** | **NEXT MEETING** | **12** |
| **9** | **CLOSURE OF MEETING** | **12** |

**Membership**

Mr Andrew Hammond (Independent Presiding Member)
Cr L Handasyde
Cr J Liebeck
Cr K Tyrer
Cr W Sheard

**Deputies**

Cr K Clements
Cr M O'Dea

# 1 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Presiding Member will declare the meeting open at _____pm.

# 2 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

Members Present

Observers

Staff

Apologies

Members of the Public

# 3 CONFIRMATION OF MINUTES

Minutes, as circulated, of the meeting of the Audit, Risk and Improvement Committee held on 3 June 2026.

**OFFICER RECOMMENDATION**

**That the minutes of the meeting of the Audit, Risk and Improvement Committee held on 3 June 2026 be confirmed as a true and accurate record.**

# 4 DEPUTATIONS/PRESENTATIONS

Nil.

# 5 DISCLOSURE OF INTEREST

Part 5 Division 6 *Local Government Act 1995*

# 6 REPORTS OF COMMITTEE MEMBERS AND OFFICERS

## 6.1 COMPLIANCE AUDIT REPORT

| | |
|---|---|
| **Attachment:** | Compliance Audit Return |
| **Responsible Officer:** | **Anthony Middleton**<br>**Executive Manager – Corporate & Community** |
| **Author:** | **Lisa Berry**<br>**Executive Assistant to CEO** |
| **Proposed Meeting Date:** | **22 September 2026** |

### PURPOSE

The purpose of this report is to consider the Compliance Audit Return (CAR) for the calendar year 1 January to 31 December 2025 and recommend its adoption to Council.

### BACKGROUND

The compliance audit is required to be completed and submitted to the Department Local Government, Industry Regulation and Safety (DLGIRS) by 30 September 2026 as part of the transitional arrangements for legislative amendments introduced in December 2025. Usually, the CAR is required to be submitted by 31 March each calendar year.

Given the pending deadline, the Committees recommendation will be tabled at the October Ordinary Council Meeting, following the Committee meeting.

### EXTERNAL CONSULTATION

Nil.

### STATUTORY ENVIRONMENT

The compliance audit is required pursuant to Section 7.13 of the Local Government Act 1995. The Local Government (Audit) Regulations 1996 includes the following:

**14. Compliance audits**

(1) A local government must carry out an audit (a ***compliance audit***) of the local government's compliance with the statutory requirements prescribed by regulation 13 for the period beginning on 1 January and ending on 31 December in each year.

(1A) Sub regulation (1) is subject to regulation 15A.

(2) After a local government has carried out a compliance audit, the CEO must —

(a) prepare a compliance audit return in a form approved by the Inspector; and

(b) give a copy of the compliance audit return to the local government's audit, risk and improvement committee.

(3) The audit, risk and improvement committee must —

(a) review the compliance audit return; and

(b) report to the council the results of that review.

(4) When reporting to the council, the audit, risk and improvement committee must make any recommendations that the committee considers appropriate in relation to the compliance audit return.

(5) The council must consider the compliance audit return and the results of the audit, risk and improvement committee's review (including any recommendations) at a meeting of the council.

(6) The council must —

(a) determine if any matters raised by the audit, risk and improvement committee require action to be taken by the local government; and

(b) either —

(i) adopt the compliance audit return; or

(ii) adopt the compliance audit return subject to amendments proposed by the council.

**15. Signed compliance audit return and other information must be given to Inspector**

(1) After a compliance audit return has been adopted by the council under regulation 14(6)(b), the local government must give the following information to the Inspector —

(a) a copy of the compliance audit return (or amended compliance audit return, if applicable), signed by the mayor or president and by the CEO;

(b) any recommendations made under regulation 14(4) after the audit, risk and improvement committee has reviewed the compliance audit return;

(c) a copy of the relevant section of the minutes of the meeting at which the compliance audit return was adopted by the council;

(d) any additional information explaining or qualifying the compliance audit.

(2) The information must be given to the Inspector no later than 31 March next following the period to which the return relates.

(3) The Inspector may extend the 31 March deadline.

**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**

There are no financial implications for this report.

**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 2026 – 2030 provides:

At *Key Pillar 4 Performance & Leadership* the following Strategies:

Strategy 4.3 – Commitment to continuous improvement in service delivery

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 completed Compliance Audit Return is attached to this report. The following comments are made in respect to the one item of non-compliance:

> *Question s. 5.46 Were all Delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2024/2025 financial year:*
> Answer: No
> Delegations were reviewed on 28 May 2024 and 22 July 2025 but not in the 24/25 financial year.

The total number of questions in the Return and the compliance with those questions is detailed in the following table. The Compliance Audit revealed

| Year of Return | 2023 Questions | 2023 Compliance | 2024 Questions | 2024 Compliance | 2025 Questions | 2025 Compliance |
|---|---|---|---|---|---|---|
| Total | 94 | 90 (95.7%) | 94 | 93 (98.9%) | 97 | 96 (98.9%) |

**VOTING REQUIREMENTS**

Simple Majority

**OFFICER RECOMMENDATION**

**That it be recommended to the Council that the Council adopts the Compliance Audit Return for the calendar year 1 January to 31 December 2025, as attached.**

## 6.2 INTERIM AUDIT RESULTS – YEAR ENDING 30 JUNE 2026

| | |
|---|---|
| **Attachment:** | Auditors Management Letter |
| **Responsible Officer:** | **Anthony Middleton**<br>**Executive Manager – Corporate & Community** |
| **Author:** | **Anthony Middleton**<br>**Executive Manager – Corporate & Community** |
| **Proposed Meeting Date:** | **22 September 2026** |

### PURPOSE

The purpose of this report is to consider the issues raised in the 2025/2026 Interim Audit.

### BACKGROUND

The interim Audit was held onsite during the week commencing 4 May 2026 and the audit findings were received on 7 August.

### EXTERNAL CONSULTATION

Nil.

### STATUTORY ENVIRONMENT

The interim audit is prepared under the Local Government Act 1995 and relevant Regulations.

### 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 financial processes and systems used by the organisation. 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 2026 – 2030 provides:

At *Key Pillar 4 - Performance & Leadership* the following:

Strategy 4.3 – Commitment to continuous improvement in service delivery

Corporate Action 4.3.1 - Implement review processes in service delivery on a regular basis and as needed

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 Auditors Management Letter is attached to this item. The two (2) issues raised in the management letter will be added to the 'Status Report' (refer item 6.1) for inclusion in future Committee agendas. This will ensure that Committee members can monitor staff progress in addressing each item.

The two issues raised were as follows:

| Index of findings | Potential impact on audit opinion | Rating | | | Year first raised |
|---|---|---|---|---|---|
| | | Significant | Moderate | Minor | |
| 1. Purchase orders dated after invoice date | No | | ✓ | | 2026 |
| 2. Review of supplier master file amendments | No | | ✓ | | 2025 |

Management comments for each of the two items raised are contained within the attachment.

**VOTING REQUIREMENTS**

Simple Majority

**OFFICER RECOMMENDATION**

**That the Committee notes the two (2) matters raised in the Auditor's Management Letter and includes in the future Committee Status Reports.**

## 6.3 COMMITTEE STATUS REPORT

Please refer to attachment 6.1.1. A summary of the open items on the Status Report each meeting is as follows:

**Summary:**

| **Month** | August 2025 | December 2025 | March 2026 | June 2026 | September 2026 |
|---|---|---|---|---|---|
| **Number of Active Items** | 40 | 37 | 33 | 33 | 29 |

# 7 GENERAL BUSINESS

## 7.1 ITEMS FOR THE COMMITTEE'S INFORMATION

The following documents are provided for the information of the Committee:

1. Local Government Management of Gifts and Benefits Performance Audit:
   Local Government Management of Gifts & Benefits Report

2. Local Government Information Systems Audit Results 2025:
   Local Government Information Systems Audit Results

# 8 NEXT MEETING

1 December 2026

# 9 CLOSURE OF MEETING

There being no further business to discuss, the Presiding Member shall declare the meeting closed at _____pm.