AGENDA

Audit, Risk and Improvement Committee

19 August 2025

NOTICE OF MEETING

Dear Committee Members and Members of the Public,

In accordance with the provisions of Section 5.5 of the Local Government Act, you are hereby notified that the Audit, Risk and Improvement Committee has been convened for:

Date:	**Tuesday 19 August 2025**
At:	Shire Council Chambers 1 Longhurst Street, Narembeen
Commencing:	2.30pm

Ben Forbes
Acting Chief Executive Officer

14 August 2025

Contents

1. Official Opening and Welcome

2. Record of Attendance / Apologies / Leave of Absence

Councillors:

Cr SW Stirrat	President
Cr HA Cusack	Deputy President
Cr CD Bray	
Cr AM Hardham	
Cr TW Cole	
Cr HJ Bald	
Cr MJ Currie	

Staff:

Mr B Forbes	Acting Chief Executive Officer
Mr K Markham	Executive Manager Infrastructure Services
Ms K Conopo	Executive Governance Officer

Members of Public:

Apologies:

Ms R McCall	Chief Executive Officer

3. Disclosure of Interest

4. Public Question Time

5. Confirmation of Previous Meeting

5.1 Audit and Risk Committee Meeting 17 June 2025
Attachment 5.1A

Voting Requirements

☒ Simple Majority ☐ Absolute Majority

Officers Recommendation – Item 5.1

That the minutes of the Shire of Narembeen Audit and Risk Committee Meeting held on Tuesday 17 June 2025, as presented, be confirmed as a true and correct record of proceedings.

6. Officer Reports

6.1 Audit, Risk and Improvement Committee Terms of Reference

Date:	11 August 2025
Location:	Not Applicable
Responsible Officer:	Rebecca McCall, Chief Executive Officer
Author:	Ben Forbes, Acting Chief Executive Officer
File Reference	GOVERNANCE\COUNCIL MEETINGS\Audit and Risk Committee\Terms of Reference
Previous Meeting Reference	Nil
Disclosure of Interest:	Nil
Attachments:	**6.1A Audit, Risk and Improvement Committee Terms of Reference**

Purpose of Report

☐ Executive Decision ☒ Legislative Requirement

Summary

For the committee to review and approve the new Terms of References for the new Audit, Risk and Improvement Committee for adoption by Council.

Background

Following the enactment of the *Local Government Amendment Act 2024*, the new Section 7.1A of the *Local Government Act 1995* (the Act) requires that all local governments establish an Audit, Risk and Improvement Committee ("the Committee"). The Committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, legislative compliance, ethical accountability, and internal and external audit functions.

The proposed Terms of Reference (TORs) for the Committee outlines the framework and guidelines for the establishment and function of the Committee. By setting out objectives, authority, membership, roles, responsibilities and operational procedures, the TORs ensure clarity and transparency of the Committee's functions.

Comment

The revised TORs are modelled on the previously adopted TORs for the now defunct 'Audit and Risk Committee'. The new TORs contain necessary amendments as required by the revised legislation (as summarised below) but are otherwise identical.

Consultation

Chief Executive Officer
Council – July 2025 discussion forum

Statutory Implications

Local Government Act 1995 (Local Government Amendment Act 2024)

s 5.23 – Meetings generally open to public
The following are to be open to members of the public —

(a) all council meetings;
(b) all meetings of a committee.

Division 1A — Audit, risk and improvement committee
7.1A. Establishment of audit, risk and improvement committee

1) A local government must establish a committee of its council under section 5.8 to be called the audit, risk and improvement committee.
2) The following provisions apply in respect of the membership of the audit, risk and improvement committee —
    a. an employee of the local government is not to be a member;
    b. o member is to be nominated by, or is to be appointed to represent, any employee of the local government;
    c. section 5.10(1)(b) does not apply.
3) The presiding member of the audit, risk and improvement committee cannot be a council member of the local government or of any other local government.
4) Any deputy presiding member of the audit, risk and improvement committee cannot be a council member of the local government or of any other local government.

7.1B. Deputy of presiding member or of deputy presiding member

1) The local government must appoint a person under section 5.11A to be a deputy of the presiding member of the audit, risk and improvement committee.
2) In addition to the requirement of section 5.11A(2)(c), the deputy of the presiding member cannot be a council member of any other local government.
3) If section 5.14 applies to a meeting of the audit, risk and improvement committee, the committee members present at the meeting must choose the deputy of the presiding member, if present, to preside at the meeting.
4) If the local government appoints a person under section 5.11A to be a deputy of the deputy presiding member of the audit, risk and improvement committee, in addition to the requirement of section 5.11A(2)(c), the appointed deputy cannot be a council member of any other local government.

Policy Implications

Nil

Strategic Implications

Strategic Community Plan

Strategic Priority:	4. Civic Leadership
Objective:	Well governed and efficiently managed Local Government
Strategy:	4.2 Compliant and resourced Local Government

Asset Management Plan
Nil

Long Term Financial Plan
Nil

Risk Implications

Risk Profiling Theme	Failure to Fulfill Statutory, Regulatory or Compliance Requirements
Risk Category	Compliance
Consequence Description	No noticeable regulatory or statutory impact
Consequence Rating	Insignificant (1)
Likelihood Rating	Rare (1)
Risk Matrix Rating	Low (1)
Key Controls in Place	Risk Management Framework
Action / Treatment	Nil
Risk Rating After Treatment	Adequate

Financial Implications

There are no financial implications in relation to this item.

Voting Requirements

☒ Simple Majority ☐ Absolute Majority

Officers Recommendation – Item 6.1

That Audit, Risk and Improvement Committee receives and recommends that Council, by absolute majority, adopt the Audit, Risk and Improvement Committee Terms of Reference, as attached.

6.2 Close Meeting to Public

Voting Requirements

☒ Simple Majority ☐ Absolute Majority

Officers Recommendation – Item 6.2

That the Audit, Risk and Improvement Committee closes the meeting to the public in accordance with Section 5.23(b) of the Local Government Act, to receive the CV's of persons who have submitted an expression of interest for the position of Independent Member of the Audit Risk and Improvement Committee.

6.3 Receive Confidential Attachments

Voting Requirements

☒ Simple Majority ☐ Absolute Majority

Officers Recommendation – Item 6.3

That Audit, Risk and Improvement Committee receives confidential attachment 6.5C.

6.4 Re-Open Meeting to Public

Voting Requirements

☒ Simple Majority ☐ Absolute Majority

Officers Recommendation – Item 6.4

That Audit, Risk and Improvement Committee re-opens the meeting to the public.

6.5 Audit, Risk and Improvement Committee Independent Members

Date:	11 August 2025
Location:	Not applicable
Responsible Officer:	Rebecca McCall, Chief Executive Officer
Author:	Ben Forbes, Acting Chief Executive Officer
File Reference	GOVERNANCE/ COUNCIL MEETINGS/ Representation
Previous Meeting Reference	Nil
Disclosure of Interest:	Nil
Attachments:	**6.5A Expressions of Interest Adcopy** **6.5B Expression of Interest Submissions** **6.5C CV's of Persons submitting EOI's (Confidential)**

Purpose of Report

☐ Executive Decision ☒ Legislative Requirement

Summary

For Council to review the expressions of interest received and, if satisfied with the applicants and their qualifications, appoint two independent members to the Audit, Risk and Improvement Committee to act as the Chairperson and Deputy Chairperson

Background

As part of the changes from the *Local Government Amendment Act 2024*, Local Governments are required to appoint an independent chairperson and deputy chairperson to the new 'Audit, Risk and Improvement Committee'.

Council will note that the RoeROC member Councils initially considered appointing shared chairperson and deputy chairpersons, amongst other coordinated alternatives, however this approach was eventually abandoned due to logistical issues presented by the requirements for the independent persons (see legislative references below).

Comment

Expressions of interest for the independent persons was done via the local newspaper and the Shire's website and Facebook page.

Two suitable submissions have been received; management have reviewed the candidates' qualifications and believe them both to be a suitable fit as independent persons.

Consultation

Chief Executive Officer
Council – July 2025 discussion forum

Statutory Implications

Local Government Act 1995 (Local Government Amendment Act 2024)

Division 1A — Audit, risk and improvement committee
7.1A. Establishment of audit, risk and improvement committee

5) A local government must establish a committee of its council under section 5.8 to be called the audit, risk and improvement committee.
6) The following provisions apply in respect of the membership of the audit, risk and improvement committee —
    a. an employee of the local government is not to be a member;
    b. o member is to be nominated by, or is to be appointed to represent, any employee of the local government;
    c. section 5.10(1)(b) does not apply.
7) The presiding member of the audit, risk and improvement committee cannot be a council member of the local government or of any other local government.
8) Any deputy presiding member of the audit, risk and improvement committee cannot be a council member of the local government or of any other local government.

7.1B. Deputy of presiding member or of deputy presiding member

5) The local government must appoint a person under section 5.11A to be a deputy of the presiding member of the audit, risk and improvement committee.
6) In addition to the requirement of section 5.11A(2)(c), the deputy of the presiding member cannot be a council member of any other local government.
7) If section 5.14 applies to a meeting of the audit, risk and improvement committee, the committee members present at the meeting must choose the deputy of the presiding member, if present, to preside at the meeting.
8) If the local government appoints a person under section 5.11A to be a deputy of the deputy presiding member of the audit, risk and improvement committee, in addition to the requirement of section 5.11A(2)(c), the appointed deputy cannot be a council member of any other local government.

Policy Implications

Nil

Strategic Implications

Strategic Community Plan

Strategic Priority:	4. Civic Leadership
Objective:	Well governed and efficiently managed Local Government
Strategy:	4.2 Compliant and resourced Local Government

Asset Management Plan
Nil

Long Term Financial Plan
Nil

Risk Implications

Risk Profiling Theme	Failure to Fulfill Statutory, Regulatory or Compliance Requirements
Risk Category	Compliance
Consequence Description	No noticeable regulatory or statutory impact
Consequence Rating	Insignificant (1)
Likelihood Rating	Rare (1)
Risk Matrix Rating	Low (1)
Key Controls in Place	Governance Calendar, Financial Management Framework and Legislation
Action / Treatment	Nil
Risk Rating After Treatment	Adequate

Financial Implications

Independent Members of Committees of Council are entitled to receive a fee per meeting for their time, in accordance with the remuneration adopted by Council in May 2025. Estimates for these costs have been included in the 2026 budget.

Voting Requirements

☒ Simple Majority ☐ Absolute Majority

Officers Recommendation – Item 6.5

That the Audit, Risk and Improvement Committee:

1. Receive the submissions received from independent persons
2. Recommend that Council, by absolute majority, appoint Rhonda Cole and Gina DeLuis as the independent members of the Audit, Risk and Improvement Committee
3. Recommend that Council appoint, by absolute majority, Rhonda Cole as the Chairperson of the Audit, Risk and Improvement Committee
4. Recommend that Council appoint, by absolute majority, Gina DeLuis as the Deputy Chairperson of the Audit, Risk and Improvement Committee.

6.6 2025 Interim Audit Results

Date:	10 August 2025
Location:	Not applicable
Responsible Officer:	Ben Forbes, Executive Manager Corporate Services
Author:	Ben Forbes, Executive Manager Corporate Services
File Reference	FINANCIAL MANAGEMENT\AUDIT\2025\Interim
Previous Meeting Reference	Nil
Disclosure of Interest:	Nil
Attachments:	**6.6A Pitcher Partners re: Shire of Narembeen 2025 interim audit**

Purpose of Report

☒ Executive Decision ☐ Legislative Requirement

Summary

For the Audit, Risk and Improvement Committee to receive advice from Council's independent auditors regarding the results of the 2025 interim audit.

Background

A Local Government is to prepare an annual report each financial year containing such information as prescribed by the Local Government Act 1995 Section 5.53(2) and Regulation 19 of the Local Government (Administration) Regulations 1996. This report, in addition to all associated accounting practices and records, is to be audited by an external party each year.

The audit of the financial statements is split into two components due to the quantity of work. Prior to 30 June an 'interim audit' is conducted to review profit and loss accounts and associated policies and procedures. After 30 June the 'annual audit' is conducted to review balance sheet accounts, associated methodologies and general compliance with laws, regulations and accounting standards.

Comment

As per the attached correspondence, Council's auditors made no adverse findings following the completion of the 2025 interim audit. This means that of the policies, procedures and documentation sighted/sampled by Council's auditors that no errors or instances of non-compliance were found.

Consultation

Chief Executive Officer

Statutory Implications

Local Government Act 1995,

Part 5, Section 5.53

(1) The local government is to prepare an annual report for each financial year.

(2) The annual report is to contain —

a) a report from the mayor or president; and
b) a report from the CEO; and
e) an overview of the plan for the future of the district made in accordance with section 5.56, including major initiatives that are proposed to commence or to continue in the next financial year; and
f) the financial report for the financial year; and
g) such information as may be prescribed in relation to the payments made to employees; and
h) the auditor's report prepared under section 7.9(1) or 7.12AD(1) for the financial year; and
ha) a matter on which a report must be made under section 29(2) of the Disability Services Act 1993; and
hb) details of entries made under section 5.121 during the financial year in the register of complaints, including —
   i. the number of complaints recorded in the register of complaints; and
   ii. how the recorded complaints were dealt with; and
   iii. any other details that the regulations may require; and
   iv. and such other information as may be prescribed.

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

(4) A local government must —

(a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and
(b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.

(5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government's official website.

Local Government (Financial Management) Regulations 1996, Part 4 Financial Reports

Regulations 36 to 49 prescribe the contents and disclosures required in the financial statements and accompanying notes.

Regulation 51 prescribes that the Local Government's CEO provide a copy of the audited financial report to the CEO of the Department of Local Government Sport and Cultural Industries within 30 days of the receipt of the audit report.

Local Government (Audit) Regulations 1996, Regulation 10

(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.

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

(3) The report must include a report on the conduct of the audit.
(4) 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.

Local Government (Administration) Regulations 1996, Regulation 10

19B. Information to be included in annual report

(2) For the purposes of section 5.53(2)(g) and (i), the annual report for a financial year beginning on or after 1 July 2020 must contain the following —

(a) the number of employees of the local government entitled to an annual salary of $130,000 or more;
(b) the number of employees of the local government entitled to an annual salary that falls within each band of $10 000 over $130 000;
(c) any remuneration and allowances paid by the local government under Schedule 5.1 clause 9 during the financial year;
(d) any amount ordered under section 5.110(6)(b)(iv) to be paid by a person against whom a complaint was made under section 5.107(1), 5.109(1) or 5.114(1) to the local government during the financial year;
(e) the remuneration paid or provided to the CEO during the financial year;
(f) the number of council and committee meetings attended by each council member during the financial year;
(g) if available, the gender, linguistic background and country of birth of council members;
(h) if available, the number of council members who are aged —
   (i) between 18 years and 24 years; and
   (ii) between 25 years and 34 years; and
   (iii) between 35 years and 44 years; and
   (iv) between 45 years and 54 years; and
   (v) between 55 years and 64 years; and
   (vi) over the age of 64 years;

(i) if available, the number of council members who identify as Aboriginal or Torres Strait Islander;
(j) details of any modification made to a local government's strategic community plan during the financial year;
(k) details of any significant modification made to a local government's corporate business plan during the financial year.

Policy Implications

Risk Management Policy

Strategic Implications

Strategic Community Plan

Strategic Priority:	4. Civic Leadership
Objective:	External audits and reviews confirm the compliance with Local Government legislation
Strategy:	4.2 Compliant and resourced Local Government

Strategic Priority:	4. Civic Leadership
Objective:	We have sound financial and assert management policies and practices in place
Strategy:	4.2 Compliant and resourced Local Government

Asset Management Plan
Nil

Long Term Financial Plan
Nil

Risk Implications

Risk Profiling Theme	Failure to Fulfill Statutory, Regulatory or Compliance Requirements
Risk Category	Compliance
Consequence Description	No noticeable regulatory or statutory impact
Consequence Rating	Moderate (3)
Likelihood Rating	Rare (1)
Risk Matrix Rating	Low (3)
Key Controls in Place	Governance Calendar, Risk Management Policy
Action / Treatment	Nil
Risk Rating After Treatment	Adequate

Financial Implications

Nil

Voting Requirements

☒ Simple Majority ☐ Absolute Majority

Officers Recommendation – 6.6

That the Audit, Risk and Improvement Committee note the outcome of the 2025 interim audit.

6.7 Risk Dashboard – Quarterly Report – August 2025

Date:	5 June 2025
Location:	Not Applicable
Responsible Officer:	Ben Forbes, Executive Manager Corporate Services
Author:	Ben Forbes, Executive Manager Corporate Services
File Reference	RISK MANAGEMENT\PLANNING\Risk Management Framework
Previous Meeting Reference	Nil
Disclosure of Interest:	Nil
Attachments:	**6.7A Risk Dashboard Quarterly Report – August 2025**

Purpose of Report

☒ Executive Decision ☐ Legislative Requirement

Summary

This item presents the Risk Dashboard – quarterly monitoring report for August 2025 to the Audit and Risk Committee for consideration and receival.

Background

The Risk Management Framework for the Shire of Narembeen sets out the approach to the identification, assessment, management, reporting and monitoring of risks. The objective is to ensure that all areas of the Shire adopt the outlined procedures to ensure:

- strong corporate governance;
- compliance with relevant legislation, regulations and internal policies;
- integrated Planning and Reporting requirements are met; and
- uncertainty and its effects on objectives are understood.

The Shire has adopted a 'Three Lines of Defence" model for the management of risk. This model ensures roles, responsibilities, and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, the council, management, and community will have assurance that risks are managed effectively to support the delivery of the strategic, corporate, and operational plans.

The Shire qualitied its risk appetite through the development of the Shire's Risk Assessment and Acceptance Criteria.

There is a requirement to assess and manager the risk profiles on an ongoing basis to monitor risks and treatments.

Comment

The quarterly review of risk profiles assessed emerging risks, control effectiveness and key indicator performance. Assigned actions are reflective of current risks and control environment.

The following risk themes are listed on the Risk Register as the overall control rating was 'inadequate':

- Inadequate Asset Sustainability Practices

- Ineffective Management of Facilities/Venues/Events

Consultation

Executive Manager Infrastructure Services

Statutory Implications

The *Local Government Act 1995* and Regulation 17 of the *Local Government (Audit) Regulations* is applicable.

Policy Implications

Risk Management Framework

Strategic Implications

Strategic Community Plan

Strategic Priority:	4. Civic Leadership
Objective:	Well governed and efficiently managed Local Government
Strategy:	4.2 Compliant and resourced Local Government

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Risk Implications

Risk Profiling Theme	Failure to Fulfill Statutory, Regulatory or Compliance Requirements
Risk Category	Compliance
Consequence Description	No noticeable regulatory or statutory impact
Consequence Rating	Insignificant (1)
Likelihood Rating	Rare (1)
Risk Matrix Rating	Low (1)
Key Controls in Place	Risk Management Framework
Action / Treatment	Nil
Risk Rating After Treatment	Adequate

Financial Implications

There are no financial implications to Council in relation to this item.

Voting Requirements

☒ Simple Majority ☐ Absolute Majority

Officers Recommendation – Item 6.7

That Audit and Risk Committee receives the Risk Dashboard Quarterly Report – August 2025 as presented in Attachment 6.7A.

7. Other Business

8. Closure of Meeting

Details of the next meeting will be advised.

There being no further business, the chair declared the meeting closed at ___pm