AGENDA

Audit, Risk and Improvement Committee

18 August 2026

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 18 August 2026**

At: Shire Council Chambers
1 Longhurst Street, Narembeen

Commencing: 2.30pm

Rebecca McCall
Chief Executive Officer

13 August 2026

Contents

1. Official Opening and Welcome

2. Record of Attendance / Apologies / Leave of Absence

Chair	Ms R Cole	Independent Chairperson
Councillors:		
	Cr HA Cusack	President
	Cr HJ Bald	Deputy President
	Cr CD Bray	
	Cr MJ Currie	
	Cr LR Smoker	
	Cr SW Stirrat	
Staff:		
	Ms R McCall	Chief Executive Officer
	Mr R Sunner	Executive Manager Corporate Services
	Ms K Conopo	Executive Governance Officer
Members of Public:		
Apologies:		
	Cr AM Hardham	

3. Disclosure of Interest

4. Public Question Time

5. Confirmation of Previous Meeting

5.1 Audit and Risk Committee Meeting 21 April 2026

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 21 April 2026, as presented, be confirmed as a true and correct record of proceedings.

6. Officer Reports

6.1 2025 Compliance Audit Return Responses

Date:	7 August 2026
Location:	Not applicable
Responsible Officer:	Raj Sunner, Executive Manager Corporate Services
Author:	Raj Sunner, Executive Manager Corporate Services
File Reference	Risk Management / Audits / CAR
Previous Meeting Reference	Nil
Disclosure of Interest:	Nil
Attachments:	**6.1A 2025 Compliance Audit Return Responses**

Purpose of Report

☐ Executive Decision ☒ Legislative Requirement

Summary

For the Audit Risk and Improvement Committee to receive and review the 2025 Compliance Audit Return Responses.

Background

The Compliance Audit Return (CAR) is an annual self-assessment required under regulation 14 of the Local Government (Audit) Regulations 1996. Every local government in Western Australia must complete a CAR for the period of 1 January to 31 December each year.

The CAR ensures local governments review their compliance with key legislative requirements under the *Local Government Act 1995* and associated regulations. This process promotes accountability, transparency, and good governance across the sector.

The CAR must be completed by the local government administration, reviewed by the Audit, Risk and Improvement Committee (ARIC), and then adopted by the council before submission to the Local Government Inspector by 31 March of the year following the audit period.

The deadline for submitting the Compliance Audit Return (CAR) for the period of 1 January to 31 December 2025 was deferred until 30 September 2026.

The Inspector's role is to:

- prepare and issue the required CAR form
- ensure integrity and accuracy of compliance reporting
- intervene early if a CAR reveals systemic non-compliance
- appoint monitors to assist local governments in resolving issues.

Comment

Following the establishment of the Local Government Inspectorate, several changes have been made to the statutory requirements for compliance audits. These amendments are outlined in regulation 13 of the Local Government (Audit) Regulations 1996, effective from 1 January 2026.

Additionally, under regulation 15A of the *Local Government (Audit) Regulations 1996* (effective 1 January 2026), the Local Government Inspector has the authority to determine and limit the statutory requirements to be included in the CAR. These requirements are currently under development, with further guidance and supporting materials to be provided to local governments in due course.

The audit consisted of 83 questions, with 81 found to be compliant, resulting in an overall compliance rating of 98.80%.

Upgrades to software, and changes to personnel roles will assist officers to track expiry dates.

Consultation

Executive Manager Corporate Services
Executive Governance Officer

Statutory Implications

Local Government Act 1995

Local Government (Audit) Regulations 1996 amended

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.

(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

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

Nil

Voting Requirements

☒ Simple Majority ☐ Absolute Majority

Officers Recommendation – Item 6.1

That the Committee recommend that Council:

1. Approve the 2025 Compliance Audit Return for signature by Shire President and Chief Executive Officer, and
2. Endorse the 2025 Compliance Audit Return for submission to the Department of Local Government, Sport and Cultural Industries.

6.2 2025 Interim Audit Results

Date:	11 August 2026
Location:	Not applicable
Responsible Officer:	Raj Sunner, Executive Manager Corporate Services
Author:	Raj Sunner, Executive Manager Corporate Services
File Reference	FINANCIAL MANAGEMENT\AUDIT\2026\Interim
Previous Meeting Reference	Nil
Disclosure of Interest:	Nil
Attachments:	**6.2A Pitcher Partners re: Shire of Narembeen 2026 interim audit (late attachment)**

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 2026 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 2026 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 – 6.2

That the Audit, Risk and Improvement Committee note the outcome of the 2026 interim audit.

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