



MINUTES

Audit, Risk and Improvement Committee
21 April 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 21 April 2026
At: Shire Council Chambers
1 Longhurst Street, Narembeen
Commencing: 2.00pm

Rebecca McCall
Chief Executive Officer

16 April 2026

DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Narembeen for any act, omission or statement or intimation occurring during Council/Committee meetings or during formal/informal conversations with staff. The Shire of Narembeen disclaims any liability for any loss whatsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council/Committee meetings or discussions. Any person or legal entity who acts or fails to act in reliance upon any statement does so at that person's and or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for license, any statement or limitation or approval made by a member or officer of the Shire of Narembeen during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Narembeen. The Shire of Narembeen warns that anyone who has an application lodged with the Shire of Narembeen must obtain and only should rely on WRITTEN CONFIRMATION of the outcome of the application and any conditions attaching to the decision made by the Shire of Narembeen in respect of the application.

Contents

| | |
|---|-----------|
| 1. Official Opening and Welcome | 4 |
| 2. Record of Attendance / Apologies / Leave of Absence | 4 |
| 3. Disclosure of Interest | 4 |
| 4. Public Question Time | 4 |
| 5. Confirmation of Previous Meeting | 4 |
| 5.1 Audit and Risk Committee Meeting 16 December 2025 | 4 |
| 6. Officer Reports..... | 5 |
| 6.1 2025 Grant Audit Results..... | 5 |
| 6.2 Audit, Risk and Improvement Committee Terms of Reference..... | 9 |
| 7. Other Business | 12 |
| 8. Closure of Meeting..... | 13 |

1. Official Opening and Welcome

The Presiding Person welcomed everyone one declared the meeting open at 2.01pm.
Attendees were notified that the meeting was being recorded in accordance with the Local Government (Administration) Regulation r14J.

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 AM Hardham | |
| Cr LR Smoker | |
| Cr SW Stirrat | |

Staff:

| | |
|--------------|---|
| Ms R McCall | Chief Executive Officer |
| Mr B Forbes | Executive Manager Corporate Services |
| Mr K Markham | Executive Manager Infrastructure Services |
| Ms K Conopo | Executive Governance Officer |

Members of Public:

Apologies:

3. Disclosure of Interest

Nil

4. Public Question Time

Nil

5. Confirmation of Previous Meeting

5.1 Audit and Risk Committee Meeting 16 December 2025

Attachment 5.1A

Voting Requirements

Simple Majority Absolute Majority

Officers Recommendation / Committee Resolution – Item 5.1

That the minutes of the Shire of Narembeen Audit and Risk Committee Meeting held on Tuesday 16 December 2025, as presented, be confirmed as a true and correct record of proceedings.

MIN 8155/26

MOTION - Moved Cr. Stirrat

Seconded Cr. Bald

CARRIED 8 / 0

For: Ms Cole, Cr Cusack, Cr Bald, Cr Bray, Cr Currie, Cr Hardham, Cr Smoker, Cr Stirrat.

Against: Nil

6. Officer Reports

6.1 2025 Grant Audit Results

| | |
|-----------------------------------|---|
| Date: | 14 April 2026 |
| 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: | 6.1A Shire of Narembeen - 2025 LRCIP Phase 3 audit documentation 6.1B Shire of Narembeen - 2025 LRCIP Phase 4 audit documentation 6.1C Shire of Narembeen - 2025 R2R audit documentation |

Purpose of Report

- Executive Decision Legislative Requirement

Summary

For the Audit, Risk and Improvement Committee (ARIC) to receive the audit documentation for the following audits done in relation to grant acquittals for the period ended 30 June 2025:

- Local Roads and Community Infrastructure (LRCI), Phase 3
- LRCI Phase 4
- Roads to Recoveries (R2R).

Background

Certain funding bodies and State and Federal Government Departments require financial information provided in grant acquittals to be independently audited to provide the funding body with 'reasonable assurance' of the validity of the acquittal information.

Historically, grant audits have not been presented to the ARIC or Council due to their 'operational' nature. However, with the expansion of duties placed upon the ARIC and the revised Terms of Reference for the committee (as previously discussed with Council), these documents are being tabled for endorsement to demonstrate and document management's compliance with grant funding conditions and increase transparency to Council and the community.

Comment

As noted, grant audits provide 'reasonable assurance' as to the reliability (absence of misstatement) of the financial information insofar as it pertains to the specific grant acquittal. 'Reasonable assurance' is defined in clause 8 of the Australian Auditing and Assurance Standard 202 as:

"An audit in accordance with AUSs is designed to provide reasonable assurance that the financial report taken as a whole is free from material misstatement. Reasonable assurance is a concept relating to the accumulation of the audit evidence necessary for the auditor to conclude that there are

no material misstatements in the financial report taken as a whole. Reasonable assurance relates to the whole audit process.”

To achieve ‘reasonable assurance’, financial information contained within the grant acquittal is selectively tested for authenticity and to ensure that the proper accounting treatment has been applied.

Grant audits are usually done concurrently with the Shire’s annual financial audit, which provides a degree of overlap and additional assurance to Council’s independent auditors, especially regarding compliance, financial controls and procedures.

Of particular note to Council should be the audit opinion report for from Council’s independent auditors, regarding their statement of reasonable assurance.

Consultation

Nil

Statutory Implications

Local Government Act 1995.

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.

Policy Implications

Risk Management Framework

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 asset 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 / Committee Resolution – 6.1

That the Audit, Risk and Improvement Committee receive the attached documentation, inclusive of the audit opinion reports, for the Shire's grant audits for the year ended 30 June 2025 for:

- Local Roads and Community Infrastructure Program, Phase 3
- Local Roads and Community Infrastructure Program, Phase 4
- Roads to Recovery.

MIN 8156/26

MOTION - Moved Cr. Cusack

Seconded Cr. Bray

CARRIED 8 / 0

*For: Ms Cole, Cr Cusack, Cr Bald, Cr Bray, Cr Currie, Cr Hardham, Cr Smoker, Cr Stirrat.
Against: Nil*

6.2 Audit, Risk and Improvement Committee Terms of Reference

| | |
|-----------------------------------|--|
| Date: | 13 April 2026 |
| Location: | Not Applicable |
| Responsible Officer: | Rebecca McCall, Chief Executive Officer |
| Author: | Rebecca McCall, Chief Executive Officer |
| File Reference | GOVERNANCE / COUNCIL MEETINGS / ARIC |
| Previous Meeting Reference | Min 8033/25 |
| Disclosure of Interest: | Nil |
| Attachments: | 6.2A Audit, Risk and Improvement Committee Terms of Reference |

Purpose of Report

- Executive Decision Legislative Requirement

Summary

For the Committee to review and recommend to Council the updated Terms of Reference (TOR) for the Audit, Risk and Improvement Committee (ARIC), reflecting changes arising from legislation and regulations finalised since the August 2025 review.

Background

The *Local Government Amendment Act 2024* (the Act) introduced a requirement for all local governments to establish an ARIC. While the Act was passed prior to August 2025, the detailed legislative framework supporting ARICs did not commence until 1 January 2026. The Committee's current TOR was reviewed in August 2025 in anticipation of these reforms and provide a transitional framework, however now that the mandatory inclusions for establishment, function and operation of the ARIC are prescribed, they must be reviewed again to remain compliant.

Further, following recent discussions with Council, specific notation has been included in the proposed TOR regarding all audit reports being under the purview of the ARIC for increased compliance and transparency.

Comment

Regulatory changes since the August 2025 review include formal establishment of ARICs, strengthened independence requirements, prescribed statutory functions, and compliance obligations.

The ARIC's expanded functions now extend beyond audit oversight to include risk management, compliance monitoring, and continuous improvement.

Consultation

Executive Manager Corporate Services
Executive Governance Officer

Statutory Implications

The updated TOR give effect to Part 7, Division 1A of the *Local Government Act 1995* (sections 7.1A-7.1C), and Regulation 14 and Regulation 16 of the *Local Government (Audit) Regulations 1996*, as amended by the *Local Government Regulations Amendment Regulations (no. 4) 2025*, which prescribe the establishment, membership, functions and operation of Audit, Risk and Improvement Committees.

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 | Moderate (3) |
| Likelihood Rating | Rare (1) |
| Risk Matrix Rating | Low (3) |
| Key Controls in Place | Compliance Calendar; 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 / Committee Resolution – Item 6.2

That the Audit, Risk and Improvement Committee receives and recommends that Council formally adopt the updated Audit, Risk and Improvement Committee Terms of Reference, as attached.

MIN 8157/26

MOTION - Moved Cr. Hardham

Seconded Cr. Smoker

CARRIED 8 / 0

*For: Ms Cole, Cr Cusack, Cr Bald, Cr Bray, Cr Currie, Cr Hardham, Cr Smoker, Cr Stirrat.
Against: Nil*

7. Other Business

2025 Compliance Annual Return (Informal)

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

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.

Notwithstanding the extended timeframe, the CEO considers an 18-month audit period to be excessive. Accordingly, as a matter of best practice, staff have completed the informal 2025 CAR using the 2024 CAR reporting template. This report will serve as a reference when completing the revised CAR form to be issued by the Inspector ahead of the September submission deadline.

Attachment 7.1A was tabled for the Committee to note.

Decision-Making Framework

Attachment 7.2A

A draft decision-making framework has been prepared for consideration and is attached for discussion.

The framework is intended as a potential tool to support more consistent, transparent and evidence-based decision-making across the organisation, particularly for more significant or complex matters. It is not proposed as a formal requirement at this stage, but rather as an example of best practice for consideration.

The attached document outlines a structured approach to assessing options against key criteria such as strategic alignment, community benefit, financial sustainability and risk. It is designed to complement professional judgement and existing processes, not replace them.

Committee members are invited to review the attached framework and provide any initial comments or observations, particularly in relation to its potential value, practicality and relevance from an audit, risk and improvement perspective.

DISCUSSION

The Committee discussed the purpose, application, and conditions under which the framework would be utilised. It was noted that the framework could:

- *Support the preparation of applications and submissions*
- *Provide a structured basis for decision-making*
- *Enable the recording of decision history for future reference and review*
- *Assist in assessing:*
 - *Unplanned projects*
 - *Changes in priorities*
 - *Competing priorities*
 - *Project requests (e.g. from community groups)*

- *Be used as a tool in the initial stages to manage and assess organisational capacity for proposals*
- *Help minimise distractions by evaluating the viability of proposals early in the process*
- *Be implemented as an internal tool rather than through formal adoption*

It was also noted that feedback received through the Community Satisfaction Survey (one instance) indicated a perception that Council decisions lack transparency.

The Committee further noted concerns that the framework may limit potential opportunities if it results in projects being deemed too high-risk. It expressed a desire to retain Council's ability to undertake calculated risks where there is a clear benefit to the community.

WA Local Government Inspector

Attachment 7.3A is a copy of a presentation outlining an overview of the functions and powers of the Local Government Inspector.

DISCUSSION

The CEO ran through the presentation with the Committee for information.

It was noted that:

- *of concern - the inspector has been delegated an extensive amount of power – in some cases more than that of the WA Police (e.g. entry into private property without a warrant)*
- *there has been no information on what the Department is doing to protect personal information collected.*
- *It is comforting to know the personal and professional integrity of the current Inspector, and we can only hope the same integrity comes across in any future Inspectors.*
- *Shame that there is not the same vetting process in other departments.*

COMMENT FROM THE CHAIR

The Chairperson commended the President and Council for the work that they are doing and the presentation of the Audit.

8. Closure of Meeting

Details of the next meeting will be advised.

There being no further business, the chair declared the meeting closed at 2.30pm.