Shire of Jerramungup
8 Vasey Street, Jerramungup
PO Box 92, Jerramungup WA, 6337
(08) 9835 1022

MINUTES

AUDIT, RISK & IMPROVEMENT COMMITTEE

Held at

Sports Club, BREMER BAY

Tuesday, 1 September 2026

Commencing at 10:00am

Discover Diversity

This page has been left intentionally blank

Table of Contents

Audit, Risk & Improvement Committee | Tuesday 1 September 2026

This page has been left intentionally blank

AUDIT, RISK & IMPROVEMENT COMMITTEE MEETING

MINUTES

1.0 DECLARATION OF OPENING, ANNOUNCEMENT OF VISITORS

The meeting was opened at 10.00am by the Presiding Member.

I would like to begin today by acknowledging the Goreng people who are the Traditional Custodians of the land on which we meet today, and the Shire of Jerramungup would like to pay their respects to their Elders both past and present.

2.0 RECORD OF ATTENDANCE

2.1 ATTENDANCE

INDEPENDENT PRESIDING MEMBER

Julie Leenhouwers	Independent Presiding Member (IPM)

ARIC COMMITTEE MEMBERS:

Cr Nathan Brown	Shire President
Cr Paul Barrett	Councillor
Cr Paul Hislop	Councillor

COUNCILLORS (OBSERVERS)

Cr Naomi Hall	Councillor
Cr Raegan Zacher	Councillor

STAFF:

Martin Cuthbert	Chief Executive Officer
Charmaine Wisewould	Deputy Chief Executive Officer
Richard Hindley	Manager of Development
Patrick Steinbacher	Manager of Works
Glenda Forbes	Executive Administration Officer (Minute Taker)

VISITORS:

Nil.

2.2 APOLOGIES

Cr Nathan McQuoid	Councillor
Cr Neil Foreman	Councillor

2.3 APPROVED LEAVE OF ABSENCE

Nil.

2.4 ABSENT

Nil.

3.0 DISCLOSURE OF INTERESTS

Section 5.65 and 5.70 of the *Local Government Act 1995* requires an Elected Member or officer who has an interest in any matter to be discussed at a Committee/Council Meeting that will be attended by the Elected Member or officer must disclose the nature of the interest in a written notice given to the Chief Executive Officer before the meeting; or at the meeting before the matter is discussed.

An Elected Member who makes a disclosure under section 5.65 or 5.70 must not preside at the part of the meeting relating to the matter; or participate in; or be present during, any discussion or decision making procedure relating to the matter, unless allowed by the Committee/Council. If Committee/Council allows an Elected Member to speak, the extent of the interest must also be stated.

3.1 DECLARATIONS OF FINANCIAL INTERESTS

Nil.

3.2 DECLARATIONS OF PROXIMITY INTERESTS

Nil.

3.3 DECLARATIONS OF IMPARTIALITY INTERESTS

Nil.

4.0 PETITIONS, DEPUTATIONS, PRESENTATIONS AND SUBMISSIONS

Nil.

5.0 ATTENDANCE VIA TELEPHONE/INSTANTANEOUS COMMUNICATIONS

In accordance with regulation 14C(5) of the *Local Government (Administration) Regulations 1996* Council must approve the attendance of a person, not physically present at a meeting of Council, by electronic means.

In deciding whether to authorise a member to attend a meeting by electronic means under subregulation (2), the Mayor, President or Council must have regard to whether the location from which the member intends to attend the meeting, and the equipment that the member intends to use to attend the meeting, are suitable for the member to be able to effectively engage in deliberations and communications during the meeting.

RECOMMENDATION

That ______________________ be granted permission to be present at the Audit, Risk & Improvement Committee Meeting to be held on 1 September 2026 by electronic means.

Nil.

6.0 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

6.1 AUDIT, RISK & IMPROVEMENT COMMITTEE MEETING HELD 17 DECEMBER 2025

That the Minutes of the Audit, Risk & Improvement Committee Meeting held on 17 December 2025 be CONFIRMED.

AC260801

MOVED: Cr Brown **SECONDED: Cr Barrett**

That the Minutes of the Meeting of the Audit, Risk & Improvement Committee held 17 December 2025 be CONFIRMED.

CARRIED: 4/0

FOR: **IPM Julie Leenhouwers, Cr Nathan Brown, Cr Paul Barrett, Cr Paul Hislop**

AGAINST: **Nil**

7.0 REPORTS

7.1 COMPLIANCE AUDIT RETURN 2025

Location/Address:	N/A
Name of Applicant:	N/A
File Reference:	N/A
Author:	Glenda Forbes, Executive Administration Officer
Responsible Officer:	Martin Cuthbert, Chief Executive Officer
Disclosure of any Interest:	Nil
Date of Report:	20 August 2026
Attachments:	a) Compliance Audit Return 2025
Authority/Discretion:	Legislative

SUMMARY:

For the Audit, Risk & Improvement Committee to review the results of the Compliance Audit Return (CAR) for 2025 and recommend its adoption by Council prior to it being submitted to the Local Government Inspectorate.

BACKGROUND:

The 2025 CAR was made available to local government authorities by the Local Government Inspectorate website. The structure of the CAR is similar to previous years, with a focus on areas of compliance considered high risk.

In accordance with the *Local Government Act 1995* and *Local Government (Audit) Regulations 1996*, a local government is required to complete an annual Compliance Audit Return for the period 1 January to 31 December each year. The CAR is usually required to be submitted by 31 March each year, after being presented to the Audit, Risk & Improvement Committee and adopted by Council. Due to the commencement of the Local Government Inspector and amendments to legislation, this year the deadline for the CAR was extended and must be submitted by 30 September 2026.

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 contains the following compliance categories:

- Commercial Enterprises by Local Governments (5)
- Delegation of Power/Duty (9)
- Disclosure of Interest (7)
- Disposal of Property (2)
- Elections (3)
- Finance (13)
- Integrated Planning and Reporting (2)

- Local Government Employees (8)
- Procurement (16)
- Governance (17)

The CAR must be completed by the local government administration, reviewed by the Audit, Risk & Improvement Committee, and then adopted by Council before submission to the Local Government Inspector.

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

CONSULTATION:

The CAR does not require community consultation, however, a number of officers with compliance responsibilities were consulted.

Source documents such as minutes of meetings, declarations of interest, annual and primary returns, resolutions of Council and various registers were used as evidence when completing the CAR.

COMMENT:

The period examined by this audit is 1 January to 31 December 2025. The completed CAR is required to be:

- Reviewed by the Audit, Risk & Improvement Committee;
- Considered and adopted by Council;
- Certified by the President and Chief Executive Officer following Council adoption;
- Submitted to the Local Government Inspectorate, together with a copy of the Council Minutes where the CAR was adopted, by 30 September 2026.

The CAR assists the Shire to monitor legislative compliance by examining a range of prescribed requirements under regulation 13 of the *Local Government (Audit) Regulations 1996* in detail. The Shire's findings must be recorded in the CAR pro forma which is duly completed and provided as an attachment.

One area of non-compliance was identified while completing the 2025 CAR.

STATUTORY ENVIRONMENT:

Local Government Act 1995

7.13 Regulations as to audits

(1) Regulations may make provision as follows –

(aa) as to the functions of a CEO in relation to –

(i) a local government audit; and

(ii) a report (an action report) prepared by a local government under section 7.12A(4)(a); and

(iii) an audit report; and

(iv) a report on an audit conducted by a local government under this Act or any other written law;

(ab) as to the functions of an audit, risk and improvement committee, including in relation to –

[(i) deleted]

(ii) a local government audit; and

(iii) an action report; and

(iv) an audit report; and

(v) a report on an audit conducted by a local government under this Act or any other written law; and

(vi) any other matters

[(ac) and (ad) deleted]

(ae) as to monitoring action taken in respect of any matters raised in an audit report;

[(a) – (e) deleted]

(f) as to the matters to be addressed in an audit report;

[(g) and (h) deleted]

(i) requiring local governments to carry out, in the prescribed manner and in a form approved by the Inspector, an audit of compliance with such statutory requirements as are prescribed whether those requirements are –

(i) of a financial nature or not; or

(ii) under this Act or another written law.

(1A) The provision that may be made by regulations for the purposes of subsection (1)(ab) is not limited by the other subject matter of this Party.

[(2) deleted]

Local Government (Audit) Regulations 1996

13. Prescribed statutory requirements for which compliance audit needed (Act s. 7.13(1)(i))

For the purposes of section 7.13(1)(i) the statutory requirements set forth in the Table to this regulation are prescribed.

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) Subregulation (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.

15A. Inspector may limit prescribed statutory requirements to be covered by compliance audit

(1) In this regulation –

Period *means a period for which a compliance audit is required under regulation 14(1) that begins on or after 1 January 2026;*

Prescribed statutory requirement *means a statutory requirement prescribed by regulation 13.*

(2) The Inspector may, in respect of a period, determine that a compliance audit –

(a) is not to cover all of the prescribed statutory requirements; and

(b) is instead to cover only the prescribed statutory requirements specified in the determination.

(3) The determination must be reflected in the form approved under regulation 14(2)(a) for the period.

(4) Subregulation (5) applies if –

(a) the Inspector makes determinations under subregulation (2) in respect of 3 consecutive periods; and

(b) there is a prescribed statutory requirement that is specified under subregulation (2)(b) in none of those determinations.

(5) If the Inspector makes a determination under subregulation (2) in respect of the period immediately after the 3 consecutive periods, the prescribed statutory requirement referred to in subregulation (4)(b) must be specified under subregulation (2)(b) in that determination (without limiting the other prescribed statutory requirements that may be specified).

16. Functions of audit, risk and improvement committee

An audit, risk and improvement committee has the following functions –

(a) to receive and review reports on, and recommend to the council actions to be taken in relation to-

(i) audits under Part 7 of the Act; and

(ii) compliance audits; and

(iii) reviews under regulation 17.

20. Transitional provisions relating to compliance audits

(1) Regulations 13 to 15, as amended or inserted by the Local Government Regulations Amendment Regulations (No. 4) 2025 regulations 13 and 14, apply in relation to the period beginning on 1 January 2025 and ending on 31 December 2025 and to subsequent periods beginning on 1 January and ending on 31 December.

(2) Despite regulation 15(2), as inserted by the Local Government Regulations Amendment Regulations (No. 4) 2025 regulation 14, the information relating to the compliance audit for the period beginning on 1 January 2025 and ending on 31 December 2025 must be given to the Inspector no later than 30 September 2026.

(3) The Inspector may extend the 30 September 2026 deadline.

(4) The amendments made to regulation 13 by the Local Government Regulations Amendment (Local Government Amendment Act 2024) Regulations 2025 regulation 29 apply in relation to the period beginning on 1 January 2026 and ending on 31 December 2026 and to subsequent periods beginning on 1 January and ending on 31 December.

(5) Regulations 14 (1A) and 15A, as inserted by the Local Government Regulations Amendment (Local Government Amendment Act 2024) Regulations 2025 regulations 30 and 31, apply in relation to the period beginning on 1 January 2026 and ending on 31 December 2026 and to subsequent periods beginning on 1 January and ending on 31 December.

STRATEGIC IMPLICATIONS:

This item relates to the following component from the Shire of Jerramungup Community Plan 2021-2031:

Governance and Leadership

Implement systems and processes that meet our legal and audit obligations.

FINANCIAL IMPLICATIONS:

There are no financial implications to be considered as part of this report.

WORKFORCE IMPLICATIONS:

There are no workforce implications for Council.

POLICY IMPLICATIONS:

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

VOTING REQUIREMENT:

Simple Majority

OFFICER RECOMMENDATION:

That the Audit, Risk & Improvement Committee:

1. **REVIEWS the completed 2025 Compliance Audit Return for the period 1 January 2025 to 31 December 2025 as attached;**
2. **Recommends to Council that Council ADOPTS the completed 2025 Compliance Audit Return for the period 1 January 2025 to 31 December 2025 as attached;**
3. **AUTHORISES the Shire President and Chief Executive Officer to sign the joint certification; and**
4. **SUBMITS the completed Compliance Audit Return, and any additional information explaining or quantifying the compliance audit, to the Local Government Inspectorate by 30 September 2026.**

AC260802

MOVED: Cr Barrett **SECONDED: Cr Hislop**

That the Audit, Risk & Improvement Committee:

1. **REVIEWS the completed 2025 Compliance Audit Return for the period 1 January 2025 to 31 December 2025 as attached;**
2. **Recommends to Council that Council ADOPTS the completed 2025 Compliance Audit Return for the period 1 January 2025 to 31 December 2025 as attached;**
3. **AUTHORISES the Shire President and Chief Executive Officer to sign the joint certification; and**
4. **SUBMITS the completed Compliance Audit Return, and any additional information explaining or quantifying the compliance audit, to the Local Government Inspectorate by 30 September 2026.**

CARRIED: 4/0

FOR: **IPM Julie Leenhouwers, Cr Nathan Brown, Cr Paul Barrett, Cr Paul Hislop**

AGAINST: **Nil**

7.2 INTERIM AUDIT RESULTS FOR THE YEAR ENDING 30 JUNE 2026

Location/Address:	N/A
Name of Applicant:	N/A
File Reference:	N/A
Author:	Tamara Pike, Finance Manager
Responsible Officer:	Martin Cuthbert, Chief Executive Officer
Disclosure of any Interest:	Nil
Date of Report:	20 August 2026
Attachments:	a) Office of the Auditor General – Interim Audit Management Letter
	b) Office of the Auditor General – Interim Audit Findings
Authority/Discretion:	Legislative

SUMMARY:

For the Audit, Risk & Improvement Committee (the ARIC) to accept the Interim Audit Findings for the year ended 30 June 2026.

BACKGROUND:

The ARIC's duties and responsibilities in relation to the Interim Audit Findings are to consider and recommend acceptance of the findings identified during the interim audit. The focus of the interim audit was to evaluate the organisation's overall control environment, but not for the purpose of expressing an opinion on the effectiveness of internal control, and to obtain an understanding of the key business processes, risks and internal controls.

The audit this year was undertaken by Lincolns Accountants and Business Advisors under direction of the Office of the Auditor General.

CONSULTATION:

Senior Staff

Lincolns Accountants and Business Advisors

Office of the Auditor General

COMMENT:

The following findings were highlighted by Lincolns Accountants and Business Advisors in the Interim Audit Findings for the year ended 30 June 2026:

Payroll Master File Audit Trail Review

Finding

It was noted during payroll testing that while the audit trail report for payroll master file amendments for pay periods ended 30 July 2025 and 8 October 2025 were printed, checked and saved with the payroll batch reports, there was no clear evidence of review by an appropriate officer independent of processing.

Implication

Lack of evidenced review of payroll master file changes increases the risk that unauthorised or inappropriate amendments are not identified in a timely manner, potentially resulting in incorrect payroll processing.

Recommendation

The audit trail report for payroll master file amendments should be formally reviewed by an appropriate officer independent of processing, with evidence of review documented and retained.

Management comment

Payroll master file audit trail reports are normally reviewed and signed by an appropriate officer; however, on these occasions, the evidence of review was omitted in error. Going forward, management will ensure that all payroll master file audit trail reports are formally reviewed, signed, and retained with the payroll batch documentation as evidence of review.

Timesheet Works Costing Posting Error

Finding

During our walkthrough of payroll procedures, one instance was identified where works costing entries posted to the general ledger differed from the timesheet job code on 5 and 6 February 2026. The value of this posting error was $3,087.56 which is considered not material.

As the hours entered were correct along with the rates, this error only affects internal costings and not the overall dollar value in the general ledger. No other instances of posting errors were detected in our testing.

Rating: Minor

Implication

Without review of work and project costings to the general ledger, including labour and machine hours to correct jobs and general ledger accounts, errors may result and remain undetected. This may result in potential over or understatements of assets and/or expenditures.

Recommendation

The Shire should review work and project costings and reconcile these to the general ledger to ensure they are valid and appropriate. This review should be evidenced by the appropriate employee supervisor.

Management comment

Management will reinforce existing review processes to ensure that works and project costings are checked against timesheet job codes and, with evidence of review retained by the relevant supervisor.

STATUTORY ENVIRONMENT:

Local Government Act 1995

Part 6 – Financial Management

Division 3 – Reporting on activities and finance

6.4. Financial report

(1) A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.

(2) The financial report is to

(a) be prepared and presented in the manner and form prescribed; and

(b) contain the prescribed information.

(3) By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor –

(a) the accounts of the local government, balanced up to the last day of the preceding financial year; and

(b) the annual financial report of the local government for the preceding financial year.

Part 7 – Audit

Division 3A

7.12AD. Reporting on a financial audit

(1) The auditor must prepare and sign a report on a financial audit.

(2) The auditor must give the report to —

(a) the mayor, president or chairperson of the local government; and

(b) the CEO of the local government; and

(c) the Minister.

Division 4 — General financial provisions

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 (Audit) Regulations 1996

11. CEO to give audit reports to audit, risk and improvement committee

The CEO must give to the audit, risk and improvement committee a copy of any audit report (as defined in section 7.1) given to the CEO.

STRATEGIC IMPLICATIONS:

This item relates to the following component from the Shire of Jerramungup Community Plan 2021 – 2031:

Governance and Leadership

Provide informed and transparent decision making that meets our legal obligations, and the needs of our diverse community.

Implement systems and processes that meet our legal and audit obligations.

FINANCIAL IMPLICATIONS:

There are no financial implications for this report.

WORKFORCE IMPLICATIONS:

There are no workforce implications for this report.

POLICY IMPLICATIONS:

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

VOTING REQUIREMENT:

Simple majority

OFFICER RECOMMENDATION:

That the Audit, Risk & Improvement Committee, BY SIMPLE MAJORITY:

1. **CONFIRMS its acceptance of the Auditor's Management Report to the Audit, Risk & Improvement Committee for the year ended 30 June 2026 supplied by Office of the Auditor General.**

AC260803

MOVED: Cr Hislop	**SECONDED: Cr Brown**
That the Audit, Risk & Improvement Committee, by SIMPLE MAJORITY:	
1. CONFIRMS its acceptance of the Auditor's Management Report to the Audit, Risk & Improvement Committee for the year ended 30 June 2026 supplied by the Office of the Auditor General.	
	CARRIED: 4/0
FOR:	**IPM Julie Leenhouwers, Cr Nathan Brown, Cr Paul Barrett, Cr Paul Hislop**
AGAINST:	**Nil**

8.0 MATTERS FOR WHICH THE MEETING MAY BE CLOSED

Nil.

9.0 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil.

10.0 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE COUNCIL

Nil.

11.0 CLOSURE

11.1 DATE OF NEXT MEETING

The next meeting of the Audit, Risk & Improvement Committee will be held on Wednesday, 16 December 2026, commencing at 10.00am, in the Sports Club, Bremer Bay.

11.2 CLOSURE OF MEETING

The Presiding Member closed the meeting at 10.05am.

These minutes were confirmed at a meeting held

Date:____

Signed: ______________________________________

Presiding Person at the meeting at which these minutes were confirmed.

Date:____