MINUTES

AUDIT, RISK AND IMPROVEMENT
COMMITTEE MEETING

Tuesday 8 September 2026

6:00pm

Council Chambers

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Strengthening our community now to grow and prosper into the future

TERMS OF REFERENCE

1.0 INTRODUCTION

The Council of the Shire of Corrigin (hereinafter called the Council) hereby establishes a committee under the powers given in *Section 5.8* and *Section 7.1 A* of the *Local Government Act 1995*, *Local Government Amendment Act 2024* and *Audit Regulations*, such committee to be known as the Audit, Risk and Improvement Committee, (hereinafter called the Committee). The Council appoints to the Committee those persons whose names appear in Section 5.0 below.

Membership of the Committee shall, unless otherwise specified, be for a term ceasing at the date of the Local Government election in the year the Shire's local government elections are held, after which time the Council may appoint members for a further term. The Committee shall act for and on behalf of Council in accordance with provisions of the *Local Government Act 1995*, and associated regulations, local laws and policies of the Shire of Corrigin and this Instrument.

2.0 NAME

The name of the Committee shall be the Audit, Risk and Improvement Committee.

3.0 ROLE

The Committee's role is to report to Council and provide appropriate advice and recommendations on matters relevant to its objectives to facilitate decision-making by Council in relation to the discharge of its responsibilities.

4.0 OBJECTIVES OF THE COMMITTEE

4.1 To provide guidance and assistance to the Council in:

a) carrying out its audit functions under Part 7 of the *Local Government Act*.
b) the development of a process to be used to select and appoint an auditor.
c) determining the scope and content of the external and internal audit and advising on the general financial management of the Shire.
d) overseeing the audit process and meeting with the external auditor after each visit to discuss management issues and monitoring administration's actions on, and responses to, any significant matters raised by the auditor.
e) evaluating and making recommendations to Council on internal and external audit reports prior to them being presented to Council.
f) receiving and verifying the annual Local Government Statutory Compliance Return.
g) review reports provided by the CEO on the Shire's systems and procedures in relation to:
   i. financial management; and
   ii. legislative compliance; and
   iii. risk management;

at least once every four years and report to Council the results of that review. Ref: *Functions of Audit Committees (Audit Regulations).*

4.2 To advise Council on significant high level strategic risk management issues related to the Shire of Corrigin including issues involving:

a) the community;
b) the workforce;
c) vehicles and plant;
d) buildings and similar property;
e) revenue streams;
f) legal liability;

g) electronically stored information;
h) environmental impact;
i) fraud; and
j) reputation.

5.0 MEMBERSHIP
The Committee shall consist of all Councillors. Additionally up to two independent members with expertise in financial or legal matters will provide additional independent external advice to the Committee. The external independent persons will have senior business, legal or financial management/reporting knowledge and experience, and be conversant with the financial and other reporting requirements.

Appointments of external consultants shall be made by the CEO following a decision of Council and the allocation of sufficient funds to provide consultation fees using relevant professional fee schedules. No member of staff including the CEO is to be a member of the Committee, but the CEO may participate as Council's principal advisor, unless expressly excluded by resolution of the Committee.

6.0 PRESIDING MEMBER
The Council must appoint a Presiding Member, a Deputy of the Presiding Member, and may, at its discretion, appoint a Deputy Presiding Member. Presiding members cannot be members of the Council or shire staff.

The Presiding Member shall ensure that minutes of the proceedings are kept and that business is conducted in accordance with the Shire of Corrigin Standing Orders (Local Law).

The *Local Government Act 1995* places responsibility for speaking on behalf of Council with the President, or the CEO if the President agrees. The Presiding Member if different from the President is to refrain from speaking publicly on behalf of the committee or Council, or to issue any form of written material purporting to speak on behalf of the committee or Council without the prior approval of the President.

7.0 CONDUCT OF MEETINGS
The Committee shall meet at least three times per year. A schedule of meetings will be developed and agreed to by the members. As an indicative guide, meetings would be arranged to coincide with relevant Council reporting deadlines, for example in February to discuss the Statutory Compliance Return, in July to discuss the year's financial performance and to discuss the annual audit program and in November to discuss the Annual Financial Report. Additional meetings shall be convened at the discretion of the Presiding Member.

Any three members of the Committee collectively or the internal or external auditor themselves may request the Presiding Member to convene a meeting. Urgent matters which may arise should be referred directly to Council through the monthly meetings or to a Special Council meeting.

7.1 Notice of meetings shall be given to members at least three days prior to each meeting.
7.2 The Presiding Member shall ensure that detailed minutes of all meetings are kept and shall, not later than five days after each meeting, provide Council with a copy of such minutes. Council shall provide secretarial and administrative support to the Committee.
7.3 All members of the Committee shall have one vote. If the vote of the members present is equally divided, the person presiding must cast a second vote.
7.4 The Chief Executive Officer should attend all meetings, except when the Committee chooses to meet in camera with the exclusion of the CEO.
7.5 Representatives of the external auditor should be invited to attend at the discretion of

the Committee but must attend meetings either in person or by telephone link up considering the draft annual financial report and results of the external audit.

7.6 The internal auditor or representative shall be invited to attend meetings, at the discretion of the Committee, to consider internal audit matters.

8.0 QUORUM

A quorum for a meeting shall be at least 50 percent of the number of members, whether vacant or not. A decision of the Committee does not have effect unless a simple majority has made it.

9.0 DELEGATED POWERS

The Committee has no delegated powers under the *Local Government Act 1995* and is to advise and make recommendations to Council only.

The Audit, Risk and Improvement Committee is a formally appointed committee of Council and is responsible to that body.

The Audit, Risk and Improvement Committee does not have executive powers or authority to implement actions in areas over which management has responsibility and does not have any delegated financial responsibility. The Committee does not have any management functions and is therefore independent of management.

The following guidelines are to provide further direction from Council for the operation of the Committee:

9. 1 External Audit

The Committee shall:

- Liaise with the Office of the Auditor General regarding the appointment of a suitable Auditor.
- Prior to appointment, discuss the scope of the audit and any additional procedures required from the external auditor. Invite the external auditor to attend audit committee meetings to discuss the audit results and consider the implications of the external audit findings.
- Inquire of the auditor if there have been any significant disagreements with management and whether they have been resolved.
- Monitor management responses to the auditor's findings and recommendations.
- Review the progress by management in implementing audit recommendations and provide assistance on matters of conflict.
- Provide a report and recommendations to Council on the outcome of the external audit.

9.2 Co-ordination of Auditors

The Committee shall:

- Oversee the work of the internal audit function to facilitate co-ordination with the external auditor.
- Meet periodically with the Chief Executive Officer, senior management staff and internal and external auditors to understand the organisation's control environment and processes.

9.3 Duties and Responsibilities

The following duties and responsibilities of the Committee will include:

i. To review the scope of the internal audit plan and program and the effectiveness of the function. This review should consider whether, over a period of years the internal audit plan systematically addresses:

- internal controls over significant areas of risk, including non-financial management control systems.
- internal controls over revenue, expenditure, assets and liability processes;
- the efficiency, effectiveness and economy of significant Council programs; and
- compliance with regulations, policies, best practice guidelines, instructions and contractual arrangements.

ii. Review the appropriateness of special internal audit assignments undertaken by internal audit at the request of Council or Chief Executive Officer.

iii. Review the level of resources allocated to internal audit and the scope of its authority.

iv. Review reports of internal audit and the extent to which Council and management react to matters raised by internal audit, by monitoring the implementation of recommendations made by internal audit.

v. Facilitate liaison between the internal and external auditor to promote compatibility, to the extent appropriate, between their audit programs.

vi. Critically analyse and follow up any internal or external audit report that raises significant issues relating to risk management, internal control, financial reporting and other accountability or governance issues, and any other matters relevant under the Committee's terms of reference.

vii. Review management's response to, and actions taken as a result of the issues raised.

viii. Monitor the risk exposure of Council by determining if management has appropriate risk management processes and adequate management information systems.

ix. Monitor ethical standards and related party transactions by determining whether the systems of control are adequate.

x. Review Council's draft annual financial report, focusing on:
   - accounting policies and practices.
   - changes to accounting policies and practices.
   - the process used in making significant accounting estimates.
   - significant adjustments to the financial report (if any) arising from the audit process.
   - compliance with accounting standards and other reporting requirements.
   - significant variances from prior years.

xi. Recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the financial report is signed.

xii. Discuss with the external auditor the scope of the audit and the planning of the audit.

xiii. Discuss with the external auditor issues arising from the audit, including any management letter issued by the auditor and the resolution of such matters.

xiv. Review tendering arrangements and advise Council.

xv. Review the annual performance statement and recommend its adoption to Council.

xvi. Review issues relating to national competition policy, financial reporting by Council business units and comparative performance indicators.

xvii. Identify and refer specific projects or investigations deemed necessary through the Chief Executive Officer, the internal auditor and the Council if appropriate. Oversee any subsequent investigation, including overseeing of the investigation of any suspected cases of fraud within the organisation.

xviii. Monitor the progress of any major lawsuits facing the Council.

xix. Address issues brought to the attention of the Committee, including responding to requests from Council for advice that are within the parameters of the Committee's terms of reference.

xx. Report to Council after each meeting, in the form of minutes or otherwise, and as necessary and provide an annual report to Council summarising the activities undertaken during the year.
xxi. The Committee in conjunction with Council and the Chief Executive Officer should develop the Committee's performance indicators.
xxii. The Committee, through the Chief Executive Officer and following authorisation from the Council, and within the scope of its responsibilities, may seek information or obtain expert advice on matters of concern.
xxiii. Advise Council on significant risk management issues related to the Shire of Corrigin including major issues involving:
- The Community;
- The Workforce;
- Vehicles and Plant;
- Buildings and Similar Property;
- Revenue Streams;
- Legal Liability;
- Electronically Stored Information;
- Environmental Impact;
- Fraud; and
- Reputation.

xxiv. Review reports on the appropriateness and effectiveness of the Shire's systems and procedures in relation to:
- risk management;
- internal control; and
- legislative compliance

and report to Council.

9.4 Reporting Powers

The Committee:
- Shall report to Council and provide recommendations on matters pertaining to its terms of reference by assisting elected members in the discharge of their responsibilities for oversight and corporate governance of the local government.
- Does not have executive powers or authority to implement actions in areas that management has responsibility.
- Is independent of the roles of the Chief Executive Officer and his senior staff as it does not have any management functions.
- Does not have any role pertaining to matters normally addressed by the Local Emergency Management Committee and Council in relation to financial management responsibilities in relation to budgets, financial decisions and expenditure priorities.
- Is a separate activity and does not have any role in relation to day-to-day financial management issues or any executive role or power.
- Shall after every meeting forward the minutes of that meeting to the next Ordinary meeting of the Council, including a report explaining any specific recommendations and key outcomes.
- Shall report annually to the Council summarising the activities of the Committee during the previous financial year.

10.0 TERMINATION OF COMMITTEE

Termination of the Committee shall be:

a) in accordance with the *Local Government Act 1995*; or

b) at the direction of the Council.

11.0 AMENDMENT TO THE INSTUMENT OF APPOINTMENT AND DELEGATION

This document may be altered at any time by the Council.

12.0 COMMITTEE DECISIONS

The Committee recommendations are advisory only and shall not be binding on Council.

13.0 CONFLICTS OF INTEREST

Members of the Audit, Risk and Improvement Committee are required to disclose all conflicts of interest and may not be eligible to vote on a matter, depending on the nature of the conflict.

14.0 CONFIDENTIALITY

All Committee members are expected to be aware of their responsibilities regarding the confidentiality of information about Council affairs.

15.0 REMUNERATION

External members appointed under the terms of reference are eligible for a per-meeting fee up to the maximum determined by the Salaries and Allowances Tribunal.

1 DECLARATION OF OPENING
The Presiding member, J Mason opened the meeting at 6.00pm

2 ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

Presiding Member	J Mason
Deputy of the Presiding Member	L Baker (via Teams)
Shire President	Cr. S Jacobs
Deputy President	Cr. M Leach
Councillors	Cr. D Hickey
	Cr. H Talbot
	Cr. M Dickinson
	Cr. D Smith
	Cr. W Dyer
Chief Executive Officer	N Manton (via Teams)
Deputy Chief Executive Officer	M Henry

APOLOGIES
NIL

3 DECLARATIONS OF INTEREST
NIL

4 PUBLIC QUESTION TIME
NIL

5 CONFIRMATION AND RECEIPT OF MINUTES
5.1 CONFIRMATION AUDIT AND RISK MANAGEMENT COMMITTEE MEETING
COMMITTEE'S RESOLUTION
Moved: Cr Talbot **Seconded: Cr Dyer**
That the Minutes of the Audit, Risk and Improvement Committee meeting held on Monday 13 April 2026 (Attachment 5.1) be confirmed as a true and correct record.

Carried 9/0

For: J Mason, L Baker, Cr. Jacobs, Cr. Leach, Cr. Hickey, Cr. Dickinson, Cr. Talbot, Cr. Smith & Cr. Dyer
Against: Nil

6 REPORTS

Local Government Financial Audit Results

The Auditor-General 2025 report reveals improved compliance, with 138 of 147 entities meeting reporting deadlines and 136 receiving clear audit opinions.

However, administrative accuracy remains an issue, as one-third of councils required five or more corrections to their paperwork before finalisation.

Separately, the report highlights growing financial strain across the sector, with rising costs making it harder for councils to cover their short-term bills.

The full report can be read here: Financial Audit Results

COMMITTEE'S RESOLUTION

Moved: Cr Hickey **Seconded: Cr Jacobs**

That the Audit, Risk and Improvement Committee receive and note the report on Local Financial Audit Results.

Carried 9/0

For: J Mason, L Baker, Cr. Jacobs, Cr. Leach, Cr. Hickey, Cr. Dickinson, Cr. Talbot, Cr. Smith & Cr. Dyer
Against: Nil

7 MATTERS REQUIRING A COMMITTEE DECISION
7.1 RISK MANAGEMENT FRAMEWORK REVIEW

Applicant:	Shire of Corrigin
Date:	14/08/2026
Reporting Officer:	Natalie Manton, Chief Executive Officer
Disclosure of Interest:	NIL
File Ref:	RM.0014
Attachment Ref:	Attachment 7.1 – Corrigin Risk Management Framework

SUMMARY
This report seeks the endorsement of the revised Risk Management Framework.

BACKGROUND
The Shire of Corrigin Risk Management Framework includes the Risk Management Policy and the document provided in Attachment 7.1. It sets out the Shire's approach to the identification, assessment, management, reporting and monitoring of risks.

The Risk Management Framework provides a documented, structured and systematic process that is appropriate for the size and complexity of the Shire to ensure:
- Strong corporate governance.
- Compliance with relevant legislation, regulations and internal policies.
- Integrated Planning and Reporting requirements are met.
- Uncertainty and its effects on objectives is understood

The Risk Framework requires regular reviews to ensure it is appropriate to the current organisational structure and legislative requirements.

The procedure assists in the appropriate governance of risk management within the Shire by providing:
- transparency of decision making.
- clear identification of the roles and responsibilities of the risk management functions.
- an effective governance structure to support the Risk Framework.

The Risk Management Policy was last reviewed as part of the annual review of policies conducted at the Ordinary meeting of Council October 2025.

COMMENT
The Risk Management Framework is to be reviewed at least every 18 months.

Adoption of this revised procedure will assist in compliance with Regulation 17 of the *Local Government (Audit) Regulations 1996*.

STATUTORY ENVIRONMENT
Local Government (Audit) Regulations 1996.
r17 CEO to review certain systems and procedures

(1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to the following matters –
- *(a) financial management;*
- *(b) legislative compliance;*
- *(c) risk management.*

(2) Under subregulation (1), the CEO may review any or all of the matters referred to in subregulation (1)(a) to (c) at any time but must review each of those matters not less than once in every 4 financial years.

(3) *The CEO must report to the audit, risk and improvement committee the results of each review carried out under subregulation (1).*

POLICY IMPLICATIONS
4.1 Risk Management Policy

FINANCIAL IMPLICATIONS
The cost of reviewing the Risk Management Framework is included in the annual budget.

COMMUNITY AND STRATEGIC OBJECTIVES
Shire of Corrigin Council Plan 2025-2035:

Objective: Civic Leadership
Strong Governance and Leadership

Council Plan			
Outcome	**Strategies**	**Action No.**	**Actions**
4.1	Deliver a high standard of governance and administration	4.1.1	Investigate the best option and budget for financial management systems for effective governance and administration of Council
		4.1.5	Continue to implement, monitor and report against the Integrated Planning and Reporting milestones

VOTING REQUIREMENT
Simple Majority

COMMITTEE'S RESOLUTION
Moved: Cr Leach **Seconded: Cr Smith**
That the Audit, Risk and Improvement Committee recommend Council endorse the Risk Management Framework Review.

Carried 9/0

For: J Mason, L Baker, Cr. Jacobs, Cr. Leach, Cr. Hickey, Cr. Dickinson, Cr. Talbot, Cr. Smith & Cr. Dyer
Against: Nil

7.2 INTERNAL AUDIT – RISK MANAGEMENT REVIEW

Applicant:	Shire of Corrigin
Date:	17/08/2026
Reporting Officer:	Natalie Manton, Chief Executive Officer
Disclosure of Interest:	NIL
File Ref:	RM.0006
Attachment Ref:	Attachment 7.2 – Risk Dashboard

SUMMARY
This Internal Audit – Risk Management Review report seeks to provide an update on the assessment, impact and controls to mitigate risks using a risk management tool.

BACKGROUND
The latest review of the Risk Management Framework was adopted by Council on 18 March 2025. The Risk Management Framework document outlines the commitment and objectives regarding managing risk that may impact the Shire's strategies, goals or objectives.

The Risk Management Review Dashboard summarises the following risks:

- Asset Sustainability Practices
- Business and Community Disruption
- Compliance Requirements
- Document Management Processes
- Employment Practices
- Engagement Practices
- Environment Management
- Errors, Omissions and Delays
- External theft and fraud
- Management of Facilities/Venues and Events
- IT Communication systems
- Misconduct
- Project/ Change Management
- Safety and Security practices
- Supplier Contract management

COMMENT
Internal risk management reviews are completed twice per annum with the previous report in April 2026.

STATUTORY ENVIRONMENT
Local Government (Audit) Regulations 1996
Section 17 CEO to review certain systems and procedures

POLICY IMPLICATIONS
4.1 Risk Management Policy

FINANCIAL IMPLICATIONS
The cost of conducting the internal risk review is included in the annual budget.

COMMUNITY AND STRATEGIC OBJECTIVES
Shire of Corrigin Council Plan 2025-2035:

Objective: Civic Leadership
Strong Governance and Leadership

Council Plan			
Outcome	**Strategies**	**Action No.**	**Actions**
4.1	Deliver a high standard of governance and administration	4.1.1	Investigate the best option and budget for financial management systems for effective governance and administration of Council
		4.1.5	Continue to implement, monitor and report against the Integrated Planning and Reporting milestones

VOTING REQUIREMENT
Simple Majority

COMMITTEE'S RESOLUTION
Moved: Cr Jacobs **Seconded: Cr Hickey**
That the Audit, Risk and Improvement Committee receive the updated Internal Audit Risk Management Report-Dashboard.

Carried 9/0

For: J Mason, L Baker, Cr. Jacobs, Cr. Leach, Cr. Hickey, Cr. Dickinson, Cr. Talbot, Cr. Smith & Cr. Dyer
Against: Nil

7.3 COMPLIANCE AUDIT RETURN

Applicant:	Shire of Corrigin
Date:	17/08/2026
Reporting Officer:	Natalie Manton, Chief Executive Officer
Disclosure of Interest:	NIL
File Ref:	CM.0001
Attachment Ref:	Attachment 7.3 – Compliance Audit Return

SUMMARY
This report provides the Audit, Risk and Improvement Committee with the 2025 Compliance Audit Return for the period 1 January 2025 to 31 December 2025.

BACKGROUND
Western Australian local governments are required to complete an annual Compliance Audit Return (CAR) in accordance with the provisions of the *Local Government (Audit) Regulations 1996* (Regulations).

The period examined by this audit is 1 January 2025 to 31 December 2025. Following recent legislative amendments via the *Local Government Regulations Amendment Regulations (No. 4) 2025*, the regulatory oversight of the CAR process has transitioned from the Department of Local Government, Sport and Cultural Industries to the newly established independent office of the Local Government Inspector.

These legislative changes introduce a one-off transitional timeframe for the current reporting cycle. While the CAR is typically due by 31 March each year, the submission deadline for the 2025 calendar year return has been deferred to 30 September 2026.

The completed return is required to be:

- Reviewed by the Audit, Risk and Improvement Committee.
- Considered and adopted by Council.
- Certified by the President and CEO following Council adoption.
- Submitted together with a copy of the ARIC recommendations and the adopting Council Minutes to the Local Government Inspector by 30 September 2026.

The report assists the Shire of Corrigin to monitor legislative compliance by examining a range of prescribed requirements under Regulation 13 of the *Local Government (Audit) Regulations 1996* in detail.

The Compliance Audit Return has been carried out by the Executive Support Officer and Chief Executive Officer in conjunction with the finance and administration staff against the following criteria:

- Commercial Enterprises by Local Governments
- Delegation of Power / Duty
- Disclosure of Interest
- Disposal of Property
- Elections
- Finance
- Integrated Planning and Reporting
- Local Government Employees
- Official Conduct
- Tenders for Providing Goods and Service

COMMENT
The audit findings must be recorded in the supplied pro-forma which has been completed and is provided in Attachment 7.3.

It is recommended that the Audit, Risk and Improvement Committee review the 2025 Compliance Audit Return and recommend it be endorsed by Council.

STATUTORY ENVIRONMENT
Local Government Act 1995
s 7.13(1)(i) requires 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 prescribed whether those requirements are –
(i) of financial nature or not; or
(ii) under this Act or another written law.

Local Government (Audit) Regulations 1996
r 13 of the sets out the statutory requirements which may be included in the compliance audit.

r 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.

r 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.

r 20 Transitional provisions relating to compliance audits
This regulation modifies the standard submission timeline for the audit period ending 31 December 2025. In accordance with regulation 20(2), the signed compliance audit return and all other information required under regulation 15 must be given to the Inspector on or before 30 September 2026.

POLICY IMPLICATIONS
NIL

FINANCIAL IMPLICATIONS
The cost of completing the CAR is included in the annual budget.

COMMUNITY AND STRATEGIC OBJECTIVES
Shire of Corrigin Council Plan 2025-2035:

Objective: Civic Leadership
Strong Governance and Leadership

Council Plan			
Outcome	**Strategies**	**Action No.**	**Actions**
4.1	Deliver a high standard of governance and administration	4.1.1	Investigate the best option and budget for financial management systems for effective governance and administration of Council
		4.1.5	Continue to implement, monitor and report against the Integrated Planning and Reporting milestones

VOTING REQUIREMENT
Simple Majority

COMMITTEE'S RESOLUTION
Moved: Cr Talbot **Seconded: Cr Hickey**
That the Audit, Risk and Improvement Committee accepts the completed Compliance Audit Return for the period 1 January 2025 to 31 December 2025 as provided in Attachment 7.3 and recommend to Council that the return be adopted.

Carried 9/0

For: J Mason, L Baker, Cr. Jacobs, Cr. Leach, Cr. Hickey, Cr. Dickinson, Cr. Talbot, Cr. Smith & Cr. Dyer
Against: Nil

7.4 REPORT OF AUDIT FINDINGS

Applicant:	Shire of Corrigin
Date:	17/08/2026
Reporting Officer:	Myra Henry, Deputy Chief Executive Officer
Disclosure of Interest:	NIL
File Ref:	FM.0420
Attachment Ref:	Attachment 7.4 – Interim Management Letter

SUMMARY
The Audit, Risk and Improvement Committee is requested to consider the feedback provided in the Interim Management Letter following the interim audit conducted for the year ending 30 June 2026.

BACKGROUND
As per the Terms of Reference reviewed and endorsed at the Ordinary Council Meeting held on 18 March 2025, one of the principal objectives of the Audit, Risk and Improvement Committee is to accept responsibility for the annual external audit and to liaise with the Auditor (Office of the Auditor General) to ensure that Council is satisfied with the Shire's performance in managing its financial affairs.

The Committee's duties and responsibilities in relation to the Annual Financial Report and external audit are clearly outlined in the Terms of Reference, specifically item 4.1e and sections 9.1 and 9.2.

In accordance with section 7.2 of *the Local Government Act 1995*, the accounts and annual financial report of a local government for each financial year are required to be audited by an Auditor. Part 7 of *the Local Government Act 1995* and the *Local Government (Audit) Regulations 1996* set out the requirements and process for the audit.

For the 2025-26 audit period, the Office of the Auditor General appointed SW Accountants & Advisors as the contract auditor for the Shire of Corrigin.

The interim audit was conducted from 25 May to 27 May 2026 as part of the annual audit process for the year ending 30 June 2026. Following completion of the interim audit, management received an Interim Management Letter outlining audit findings and recommendations for improvement.

COMMENT
As part of the annual audit process, two areas for improvement were identified relating to Information Technology controls and Related Party Disclosure processes. Management has reviewed the matters raised and developed appropriate actions to address the recommendations.

In relation to Information Technology, the audit identified an opportunity to strengthen controls through the implementation of server-level encryption. The auditors acknowledged that the Shire has a range of existing controls in place, including multi-factor authentication, restricted user access permissions, workstation encryption and encrypted cloud backup services. Management will consider server-level encryption as part of a broader review of the Shire's ICT environment and future technology projects.

With regard to Related Party Disclosures, the audit identified an opportunity to strengthen annual declaration processes to ensure complete disclosure information is provided each year. Management had previously identified this matter and will revise the annual declaration process for Councillors and Key Management Personnel to require full disclosure on an annual basis, improving transparency and record keeping.

The Shire remains committed to strengthening governance, risk management and internal controls through the ongoing implementation of audit recommendations and continuous improvement initiatives.

STATUTORY ENVIRONMENT
Local Government Act 1995, s 7.12A – Duties of Local Government with respect to audits.

POLICY IMPLICATIONS
4.1 Risk Management Policy

FINANCIAL IMPLICATIONS
There is an allowance of $50,000 in the budget for Audit Fees

COMMUNITY AND STRATEGIC OBJECTIVES
Shire of Corrigin Council Plan 2025-2035:

Objective: Civic Leadership
Strong Governance and Leadership

Council Plan			
Outcome	**Strategies**	**Action No.**	**Actions**
4.1	Deliver a high standard of governance and administration	4.1.1	Investigate the best option and budget for financial management systems for effective governance and administration of Council
		4.1.5	Continue to implement, monitor and report against the Integrated Planning and Reporting milestones

VOTING REQUIREMENT
Simple Majority

COMMITTEE'S RESOLUTION
Moved: Cr Smith **Seconded: Cr Hickey**
That the Audit, Risk and Improvement Committee:
1. *Receives the Interim Management Letter for the year ended 30 June 2026 included in Attachment 7.4.*
2. *Notes the audit findings relating to Information Technology and Related Party Disclosures.*
3. *Notes the management responses and actions proposed to address the audit recommendations.*
4. *Recommends Council receives the Interim Audit findings and note the areas that have been addressed, and issues that have been completed.*

Carried 9/0

For: J Mason, L Baker, Cr. Jacobs, Cr. Leach, Cr. Hickey, Cr. Dickinson, Cr. Talbot, Cr. Smith & Cr. Dyer
Against: Nil

8 NEXT MEETING

Audit, Risk and Improvement Committee meeting to be held on 8 December 2026 at 6.00pm

9 MEETING CLOSURE

The Presiding Member, J Mason closed the meeting at 6.11pm.