AGENDA

Audit, Risk and Improvement Committee Meeting

Meeting to be held in Council Chambers at
15 Maddock Street, Mukinbudin
Commencing at 9.00am Tuesday 15th September 2026

****** DISCLAIMER ******

The Shire of Mukinbudin assumes no responsibility for any act, omission, statement, or implication arising during Council or Committee meetings. The Shire of Mukinbudin explicitly disclaims any liability for any loss incurred as a result of reliance on such acts, omissions, statements, or implications by any individual or legal entity. Any person or legal entity who chooses to act or refrain from acting based on statements, acts, or omissions made during Council or Committee meetings does so at their own risk.

Please note that all meetings are audio recorded and published on the Shire's website for public access.

In particular, it should be noted that in discussions pertaining to planning applications or license applications, any statements or implications of approval made by members or officers of the Shire of Mukinbudin during meetings should not be construed as official notice of approval from the Shire of Mukinbudin. The Shire of Mukinbudin advises that individuals with pending applications must obtain written confirmation of the application's outcome and should only rely on such written confirmation, including any attached conditions determined by the Shire of Mukinbudin.

Ethical Decision Making and Conflicts of Interest:

Council adheres to a code of conduct and ensures that all decisions are based on an honest assessment of the matter, ethical decision-making, and personal integrity. Councillors and staff members comply with statutory requirements to disclose financial, proximity, and impartiality interests. Once declared, they abide by the relevant legislation.

Tanika McLennan
CHIEF EXECUTIVE OFFICER

7.1B. Delegation of some powers and duties to audit committees

(1) Despite section 5.16, the only powers and duties that a local government may delegate* to its audit committee are any of its powers and duties under this Part other than this power of delegation.

** Absolute majority required.*

(2) A delegation to an audit committee is not subject to section 5.17.

[Section 7.1B inserted by No. 49 of 2004 s. 5.]

7.1C. Decisions of audit committees

Despite section 5.20, a decision of an audit committee is to be made by a simple majority.

[Section 7.1C inserted by No. 49 of 2004 s. 5.]

Table of Contents

Agenda of the Audit, Risk and Improvement Committee Meeting to be held in Council Chambers, Maddock Street, Mukinbudin on Tuesday, 15th September 2026.

1. Declaration of Opening

1.1 The Chairperson to declare the Meeting open at 9__am

2. Record of attendance, apologies and approved leave of absence

2.1 Present:

Steve Lange	Deputy Chairperson

Cr Gary Shadbolt
Cr A Walker
Cr G Bent
Cr A Brandis
Cr A Dagelet
Cr S Ventris
Cr C McGlashan

2.2 Staff:

Tanika McLennan	Chief Executive Officer
Renee Jenkin	Deputy Chief Executive Officer
Lucia Scari	Manager of Corporate Services

2.3 Apologies:

2.5 Visitors:

2.6 Gallery:

3. Confirmation of the Minutes of previous meetings

3.1 Confirmation of Minutes for the Audit, Risk and Improvement Committee Meeting of Council held on 16th December 2025.

<u>Voting Requirement</u> Simple Majority

OFFICER RECOMMENDATION

Committee Decision Number –

Moved: Cr **Seconded: Cr**

That the Minutes of the Audit, Risk and Improvement Committee Meeting, held on 16th December 2025 be accepted as a true and correct record of proceedings.

Carried /

4. Matters for which the meeting may be closed

Nil

5. Reports of Committees and Officers

5.1 Report on findings of the 2025/26 Interim Audit	
Location:	Mukinbudin
File Ref:	ADM 289
Applicant:	Lucia Scari – Manager of Corporate Services
Date:	7th September 2026
Disclosure of Interest:	Nil
Responsible Officer	Tanika McLennan – Chief Executive Officer
Author:	Lucia Scari – Manager of Corporate Services
Voting Requirements	Simple Majority
Documents Attached	Nil
Documents Tabled	Nil

If Councillors have any questions regarding this item, please direct them to the Manager of Corporate Services to allow time for a researched and informed response to be provided.

Summary

The purpose of this report is to present to the Audit, Risk and Improvement Committee the findings of the 2025/2026 Interim Audit conducted by the Shire's external auditors, Dry Kirkness, on behalf of the Office of the Auditor General (OAG).

Background Information

In accordance with the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996*, the OAG undertakes annual financial and performance audits of all Local Governments in Western Australia.

The Interim Audit reviews the Shire's internal control environment and financial systems to identify any issues prior to the final audit. The Audit assessed the effectiveness of internal controls, compliance with legislative requirements, and risk management processes relevant to financial reporting and governance.

The Interim Audit was conducted in April 2026 and no findings were identified.

Officer Comment

As no findings were identified during the 2025/2026 Interim Audit, no Interim Management Letter was issued.

Hi Lucia

Thanks for your mail.

Apologies for not informing you earlier but there were no issues arising from the interim audit and confirmed by the OAG on review of our file.

Hopefully this makes things easier for you in preparing for the ARIC meeting.

Regards

Robert Hall
Principal
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DRY KIRKNESS AUDIT

Audit and Assurance

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Strategic & Social Implications
Integrated Strategic Plan 2025–2035
Pillar 4: Civic Leadership

- Outcome 11 – Compliant governance and responsible financial management
    - Strategy 11.1 – Ensure compliance with statutory requirements
    - Strategy 11.3 – Decision-making of Council is supported by up-to-date and clear policies and procedures
    - Strategy 11.6 – Promote a culture of continuous improvement and integrity

Consultation
Dry Kirkness
Office of the Auditor General
Lucia Scari – Manager Corporate Services
Tanika McLennan – Chief Executive Officer
Juliet Nixon – Finance Officer
Renee Jenkin – Deputy Chief Executive Officer

Statutory Environment
Local Government Act 1995 – Section 7.9
This section mandates that an auditor must examine the accounts and annual financial report submitted for audit and by 31 December following the financial year to which the accounts and report relate (or a later prescribed date), prepare a report and forward copies to the mayor or president, the CEO and the Minister.

Local Government (Audit) Regulations 1996 – Regulation 10
This regulation requires that an auditor's report be forwarded to the persons specified in section 7.9(1) within 30 days of completing the audit. The report must provide the auditor's opinion on the financial position and results of operations of the local government and may include a management report if deemed appropriate by the auditor.

Local Government (Audit) Regulations 1996 – Regulation 16
This regulation outlines the functions of the audit committee, including guiding and assisting the local government in carrying out its functions under Part 6 of the Act, reviewing reports provided by the CEO, monitoring and advising the CEO on reviews of systems and procedures, supporting the auditor in conducting audits and overseeing the implementation of actions required by section 7.12A.

Auditor General Act 2006 – Section 18
This section empowers the Auditor General to conduct examinations and investigations into any matter relating to the accounts, financial transactions, or management practices of an agency, including local governments.

Policy Implications
Nil

Financial Implications
Audit costs are included in the Annual Budget.

OFFICER RECOMMENDATION

Council Decision Number –

Moved: Cr **Seconded: Cr**

That the Audit, Risk & Improvement Committee notes that no findings were identified during the 2025/2026 Interim Audit.

Carried /

5.2 Shire of Mukinbudin - Compliance Audit Return - 31 December 2025	
Location:	Mukinbudin
File Ref:	ADM 289
Applicant:	Tanika McLennan – Chief Executive Officer
Date:	7th September 2026
Disclosure of Interest:	Nil
Responsible Officer	Tanika McLennan – Chief Executive Officer
Author:	Renee Jenkin - Deputy Chief Executive Officer
Documents Attached	Shire of Mukinbudin - Compliance Audit Return - 31 December 2025 (22 Pages)

Summary
To present the 31st December 2025 Compliance Audit Return (CAR) to the Audit Risk & Improvement Committee first, then Council for adoption and then electronically certified copy to the Department of Local Government and Communities.

Background Information
Every Local Government in Western Australia is required to complete a Compliance Audit Return (CAR) each year ending 31 December.

Local Government (Audit) Regulations 1996 reg 14 and 15 states:

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.

[Regulation 14 inserted: SL 2025/211 r. 14; amended: SL 2025/208 r. 30.]

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.

[Regulation 15 inserted: SL 2025/211 r. 14.]

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).

[Regulation 15A inserted: SL 2025/208 r. 31.]

Comment

A draft copy of the Shire of Mukinbudin 2025 Compliance Audit Return has been prepared by the Deputy CEO and provided to the Audit, Risk & Improvement Committee and Councillors for consideration (see separate attachment).

Most questions in the CAR were answered in the 'affirmative' or 'not applicable' where appropriate.

Strategic & Social Implications N/A

Consultation N/A

Statutory Environment
Local Government Act 1995
Local Government (Financial Management) Regulations 1996
Local Government (Functions and General) Regulations 1996
Local government (Administration) Regulations 1996
Local Government (Audit) Regulations 1996
Local Government (Constitution) Regulations 1998
Local Government (Elections) Regulations 1997
Local Government Act 1960 (Miscellaneous Provisions)

Policy Implications
Nil

Financial Implications
Nil

Voting Requirements
Simple Majority

OFFICER RECOMMENDATION

Council Decision Number –

Moved: Cr **Seconded: Cr**

That the Audit Risk and Improvement Committee recommend to Council that the 2025 Compliance Audit Return be adopted.

Carried /

6. Closure of Meeting

The Chairperson thanked Elected Members and Staff for attending and declared the meeting closed at 9_am.