Shire of Wongan-Ballidu

PUBLIC COPY

Agenda

Audit, Risk & Improvement Committee Meeting

Monday, 30 November 2026



NOTICE OF AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

Dear Committee Members

The next meeting of the Shire of Wongan-Ballidu Audit, Risk and Improvement Committee will be held on 30th November 2026, in the Council Chambers, Cnr Elphin Crescent and Quinlan Street, Wongan Hills, commencing at 3:30pm.

SAM DOLZADELLI
CHIEF EXECUTIVE OFFICER

Disclaimer
The recommendations contained in the Agenda are subject to confirmation by Council. The Shire of Wongan-Ballidu warns that any person(s) who has an application lodged with Council should rely only on written confirmation of the decision made at the Council meeting. No responsibility whatsoever is implied or accepted by the Shire of Wongan-Ballidu for any act, omission, statement or intimation taking place during a Council meeting.

This meeting is being audio recorded pursuant to Regulation 14I of the Local Government (Administration) Regulations 1996 and all audio recorded (except for when the meeting is closed to the public) will be made publicly available on the website with the minutes. When the meeting is closed to the public, those audio recordings will be kept in a secure and confidential location within the Shire's Electronic Document Records Management System.

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Item 1. ACKNOWLEDGEMENT OF COUNTRY/DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

Acknowledgement of Country: -

"I'd like to begin by acknowledging the Traditional Owners of the land within the Shire of Wongan-Ballidu, the Ballardong and Yued people of the Noongar nation, and pay our respects to Elders past, present and emerging"

Item 2. ATTENDANCE AND APOLOGIES

Attendees:

Mr Eion GANZER	Independent Presiding Member
Cr Shaun KALAJZIC	Member
Cr Matthew SEWELL	Member
Cr Mandy STEPHENSON	Member

Observers:

Apologies:

Staff:

Sam DOLZADELLI	Chief Executive Officer
Mel LYMON	Deputy Chief Executive Officer
Danell BLISS	Senior Finance Officer (Minutes)

Item 3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

3.1 CONFIRMATION OF THE MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING HELD ON WEDNESDAY, 2 SEPTEMBER 2026.

OFFICER RECOMMENDATION:

That the Minutes of the Audit, Risk and Improvement Committee Meeting held on Wednesday, 2 September 2026 be CONFIRMED as a true and correct record of the proceedings**.**

Item 4. STAFF REPORTS

4.1 CONFIDENTIAL - 2025/26 FINAL AUDIT AND MANAGEMENT LETTER FINDINGS

FILE REFERENCE:	Auditing
REPORT DATE:	25 November 2026
APPLICANT/PROPONENT:	N/A
OFFICER DISCLOSURE OF INTEREST:	Nil
PREVIOUS MEETING REFERENCES:	Nil
AUTHOR:	Melinda Lymon - Deputy Chief Executive Officer
REVIEWER:	Sam Dolzadelli - Chief Executive Officer
ATTACHMENTS:	4.1.1 CONFIDENTIAL - Auditor Presentation - FY26 Audit Closing Report 4.1.2 CONFIDENTIAL - Draft Management Letter and Audit Report - FY26 (To be provided)

PURPOSE OF REPORT:

To present to the Audit, Risk and Improvement Committee the Shire's Draft Audit Management Letter, audited financial report and audit closing report for the year ended 30 June 2026.

BACKGROUND:

The Shire's Annual Financial Report and final audit for the year ended 30 June 2026 have been completed and are pending final sign off by the Office of the Auditor General (OAG). The draft close out report is attached and the Management Letter and Audit Opinion will be tabled at the meeting. Representatives from the Shire's contract auditors and the Office of the Auditor General (OAG) will present these to the Audit, Risk and Improvement Committee as an exit meeting to close out the audit.

As part of the auditor's requirement, they must issue several documents to the local government upon completion of the audit, and these are expected to be received prior to the Audit, Risk and Improvement Committee Meeting. The Management Letter is a report issued with any unresolved findings from the audits undertaken in the relevant financial year.

POLICY REQUIREMENTS:
N/A

LEGISLATIVE REQUIREMENTS:
Local Government Act 1995
Local Government (Financial Management) Regulations 1996
Local Government (Audit) Regulations 1996

STRATEGIC IMPLICATIONS:

There are no Strategic Implications relating to this item.

SUSTAINABILITY IMPLICATIONS:

- **Environment**
  There are no known environmental impacts associated with this proposal.

- **Economic**
  There are no known economic impacts associated with this proposal.

- **Social**
  There are no known social implications associated with this proposal.

FINANCIAL IMPLICATIONS:

Nil

COMMENT:

The final management letter and audit report will be tabled for the meeting and explained in full.

The draft Final Audit Management Letter for 30 June 2026 contains one finding, which is that the Shire has no up to date Long Term Financial Plan (LTFP). The Interim Audit Management Letter for 30 June 2026 also had one finding, which was due to the Shire not having Asset Management Plans (AMP's). The Asset Management Plan finding is a carryover finding from the 2023/24 financial year. The AMP's are in draft format and pending the land & buildings independent valuation in the second half of the 2026/27 FY, they will be finalised for endorsement by Council. With regard to the new finding in relation to the LTFP, the LTFP is in a draft format and initial Council input has been received on 25 November 2026. The Shire intends to have this completed and endorsed by Council by 31 March 2027.

In recent years, findings have reduced. There were two (2) findings in 2024/25, five (5) findings in 2023/24 and seventeen (17) findings in the prior year. The two (2) current findings pertain to strategic planning.

Pursuant to section 7.12A(4) of the *Local Government Act 1995*, a local government must 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. A copy of the report must be given to the Minister within 3 months after the audit report is received by the local government. In addition to this, s7.12A(5) states that within 14 days of submitting the report to the Minister, this report must be published on the local government's official website. If there are any significant matters raised, this will be undertaken.

The Annual Financial Report with the Auditor's Opinion will be collated into the Annual Report, which will be presented to Council at the Ordinary Council Meeting to be held Wednesday 16 December 2026.

VOTING REQUIREMENTS: Simple Majority

OFFICER RECOMMENDATION:

That the Audit, Risk and Improvement Committee:

1. Receives the Final Audit Management Letter for the year ended 30 June 2026, noting management's comments on the findings and the requirement to publish a report to the Minister regarding any significant findings.
2. Receives the Annual Financial Report, inclusive of the Auditor's Opinion for the year ended 30 June 2026.

Pages 8-34 removed

due to being Confidential attachments,

per s.5.23(4)(e) of the
Local Government Act 1995.

4.2 CONSOLIDATED AUDIT STATUS REPORT

FILE REFERENCE:	Auditing
REPORT DATE:	25 November 2026
APPLICANT/PROPONENT:	N/A
OFFICER DISCLOSURE OF INTEREST:	Nil
PREVIOUS MEETING REFERENCES:	Nil
AUTHOR:	Melinda Lymon - Deputy Chief Executive Officer
REVEIWER:	Sam Dolzadelli - Chief Executive Officer
ATTACHMENTS:	4.2.1 - Consolidated Audit Status Report (Confidential Attachment)

PURPOSE OF REPORT:

The Audit, Risk and Improvement Committee is requested to receive a status report on all outstanding matters raised in external audit reports, financial management, risk management and internal control reviews, performance audits, and any other reviews relevant to the Audit, Risk and Improvement Committee's Terms of Reference.

BACKGROUND:

Previously, the Department of Local Government, Industry Regulation and Safety (The Department), published operational guidelines on Audit in local government.

Subsequent to the reviews as per Regulation 17 of the *Local Government (Audit) Regulations 1996* and previous requirements of Regulation 5 of the *Local Government (Financial Management) Regulations 1996*, an audit status report was developed. The "Consolidated Audit Status Report" has been added to with any findings from subsequent audits and reviews and is presented with updates to each Audit, Risk and Improvement Committee for information.

A review in accordance with the requirements of Regulation 17 of the *Local Government (Audit) Regulations 1996* was carried out in November and December 2025, and the recommendations from that review have been added to the 'Consolidated Audit Status Report'. The 2025/26 end of financial year audit has not been finalised, and any recommendations resulting from the audit will be added to the Consolidated Audit Status Report following close out of the audit.

POLICY REQUIREMENTS:
N/A

LEGISLATIVE REQUIREMENTS:
Local Government Act 1995
Local Government (Financial Management) Regulations 1996
Local Government (Audit) Regulations 1996

STRATEGIC IMPLICATIONS:

There are no Strategic Implications relating to this item.

SUSTAINABILITY IMPLICATIONS:

- **Environment**
  There are no known environmental impacts associated with this proposal.

- **Economic**
  There are no known economic impacts associated with this proposal.

- **Social**
  There are no known social implications associated with this proposal.

FINANCIAL IMPLICATIONS:

Nil

COMMENT:

The Shire's Consolidated Audit Status Report (Confidential Attachment 4.2.1) includes all findings by external auditors and consultants who have conducted the statutory audits and reviews, since August 2022.

At the commencement of report, there was a total of 65 findings listed which stemmed from the initial review as per Regulation 17 of the *Local Government (Audit) Regulations 1996* and Regulation 5 of the *Local Government (Financial Management) Regulations 1996*. Further recommendations have been added over time with an additional 26 recommendations included from the 2025 Systems and Procedures Review. The total number of recommendations identified is 98, which are included on the current status report.

Items completed prior to the last report presented to the Audit, Risk and Improvement Committee are no longer shown on the attachment.

Summary of Consolidated Status Report – 26 August 2026

	Low	Medium	High	Total
Findings	16	72	10	98
Newly completed	1	0	1	4
Completed	2	48	7	60
In Progress	6	11	2	14
Not commenced	7	13	0	20

Summary of Consolidated Status Report – 25 November 2026

	Low	Medium	High	Total
Findings	16	72	10	98
Newly completed	1	1	0	2
Completed	6	48	10	64
In Progress	3	11	0	14
Not commenced	6	12	0	18

The Shire has actioned and completed 65% of all findings on the status report and a further 14% are currently in progress. It is important to note that a number of findings contained in the report are for the development of certain plans and strategies which are progressing though they may not be completed in the short-term. There are also items included in the report which are low priority and may not be seen to be practical or feasible for the Shire.

VOTING REQUIREMENTS: Simple Majority

OFFICER RECOMMENDATION:

That the Audit, Risk and Improvement Committee:

RECEIVES the Consolidated Audit Status Report as of 25 November 2026.

Pages 38 & 39 removed

due to being Confidential attachments,

per s.5.23(4)(e) of the
Local Government Act 1995.

4.3 AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING SCHEDULE 2027

FILE REFERENCE:	Council, Committees and Meetings/Committees/ARIC
REPORT DATE:	24 November 2026
APPLICANT/PROPONENT:	N/A
OFFICER DISCLOSURE OF INTEREST:	Nil
PREVIOUS MEETING REFERENCES:	Nil
AUTHOR:	Melinda Lymon - Deputy Chief Executive Officer
REVIEWER:	Sam Dolzadelli - Chief Executive Officer
ATTACHMENTS:	Nil

PURPOSE OF REPORT:

The Audit, Risk and Improvement Committee is requested to endorse the proposed meeting schedule with identified activities for 2027.

BACKGROUND:

The Department of Local Government, Industry Regulation and Safety ("The Department"), have published operational guidelines on Audit in local government, which provides guidance on the appointment, function and responsibilities of Audit, Risk and Improvement Committees. As per the guideline, an audit committee plays a key role in assisting local government to fulfil its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, legislative compliance, ethical accountability and the internal and external audit functions.

In addition to this, the Office of the Auditor General WA released a Better Practice Guide for Western Australian Public Sector Audit Committees. The guide states that audit committee meetings should be regularly scheduled, and key activities are scheduled in a forward work plan.

Legislative Audit Framework

The *Local Government Act 1995, Local Government (Audit) Regulations 1996,* and *Local Government (Financial Management) Regulations 1996* provides the local government with the statutory requirements in relation to audit of local government.

The following reporting requirements to the audit committee are mandatory:

Item	Requirements	Legislation
Auditor's Report (inclusive of Opinion) and Management Letter	The external auditor must conduct a financial audit of a local government at least once in respect of each financial year. The auditor is required to prepare a report with regard to the financial audit undertaken and present the report to the mayor, president or chairperson of the local government, the CEO of the local government and the Minister within 30 days of completing the audit. The auditors report must include an opinion on: a) The financial position of the local government	Part 7 - Division 3A – Financial Audit – *Local Government Act 1995* Regulation 10 – *Local Government*

	b)The results of the operations of the local government. Where it is considered appropriate by the auditor, they must also prepare a management report to accompany the auditor's report and to forward a copy of this to the previously mentioned persons.	*(Audit) Regulations 1996*
Compliance Audit Return (CAR)	A local government is required to carry out a compliance audit for the period 1 January to 31 December in each year. After carrying out the compliance audit, the local government is to complete a compliance audit return in the statutory form approved by the Inspector. The local government's audit, risk and improvement committee is to review the compliance audit return (CAR) and is to report to Council the results of that review. After the audit, risk and improvement committee has reported to council on the results, the CAR is to be presented to council at a meeting of Council and adopted by Council and recorded in the minutes of the meeting. After the CAR has been adopted by council, it is to be submitted to the Inspector by no later than 31 March following the period in which the return relates.	Regulation 14 - *Local Government (Audit) Regulations 1996*
Risk Management, Internal Control and Legislative Compliance Review	At least once every four (4) financial years, the CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to financial management, legislative compliance and risk management. The CEO is to report to the audit, risk and improvement committee the results of that review.	Regulation 17 – *Local Government (Audit) Regulations 1996*

POLICY REQUIREMENTS:
N/A

LEGISLATIVE REQUIREMENTS:
Local Government Act 1995
Local Government (Financial Management) Regulations 1996
Local Government (Audit) Regulations 1996

STRATEGIC IMPLICATIONS:

There are no Strategic Implications relating to this item.

SUSTAINABILITY IMPLICATIONS:

- **Environment**
  There are no known environmental impacts associated with this proposal.

- **Economic**
  There are no known economic impacts associated with this proposal.

- **Social**
  There are no known social implications associated with this proposal.

FINANCIAL IMPLICATIONS: Nil

COMMENT:

The Audit, Risk and Improvement Committee Terms of Reference requires the Committee to meet at least three (3) times per year. In order to establish an audit and risk management plan it is ideal for meeting dates and times to be agreed upon now to ensure best possible attendance and provide the CEO with clear direction as to the work plan timeline.

The following meeting schedule is proposed:

Date and Time	Agenda/Activities
Wednesday 10th March – 3:30pm	• Compliance Audit Return • Annual Budget Review • Consolidated Audit Status Report • HR Policy Reviews • Governance Framework Review • Governance Policy Reviews
Wednesday 1st September – 3:30pm	• Review of Annual Financial Report - 2026/27 • Risk Register • Governance Policy Reviews • Consolidated Audit Status Report
Wednesday 1st December – 3:30pm	• Exit Meeting with Auditors • Review of Audit Management Letter • Consolidated Audit Status Report • ARIC Meeting schedule for 2028

VOTING REQUIREMENTS: Simple Majority

OFFICER RECOMMENDATION:

That the Audit, Risk and Improvement Committee:

1. ENDORSES the Audit, Risk and Improvement Committee schedule for 2027 as follows:

Date and Time	Agenda/Activities
Wednesday 10th March – 3:30pm	• Compliance Audit Return • Annual Budget Review • Consolidated Audit Status Report • HR Policy Reviews • Governance Framework Review • Governance Policy Reviews
Wednesday 1st September – 3:30pm	• Review of Annual Financial Report - 2026/27 • Risk Register • Governance Policy Reviews • Consolidated Audit Status Report
Wednesday 1st December – 3:30pm	• Exit Meeting with Auditors • Review of Audit Management Letter • Consolidated Audit Status Report • ARIC Meeting schedule for 2028

Item 5. CLOSURE

There being no further business, Mr Eion Ganzer, declared the meeting closed at: _____

These minutes are to be confirmed at the next Committee Meeting to be held 10/03/2027.

_____ _____

Mr Eion Ganzer
Independent Presiding Member

Date