Shire of Menzies

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES

An Audit, Risk and Improvement Committee Meeting was held in the Council Chambers, 124 Shenton Street, Menzies on Wednesday, 9 September 2026 commencing at 9.30am.

SECTION 7.1A LGA 1995

Committee Brief:

1. *Provide guidance and assistance to the local government-*
   a) *as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act; and*
   b) *as to the development of a process to be used to select and appoint a person to be an auditor; and*
2. *May provide guidance and assistance to the local government as to-*
   a) *matters to be audited; and*
   b) *the scope of audits; and*
   c) *its functions under Part 6 of the Act; and*
   d) *the carrying out of its functions relating to other audits and other matters related to financial management; and*
3. *Is to review a report given to it by the CEO under Regulation 17(3) (the CEO's report) and is to-*
   a) *report to the Council the results of that review; and*
   b) *give a copy of the CEO's report to the Council.*

Pascoe Durtanovich
Acting Chief Executive Officer

Resolution Numbers: ARIC/001-26 to ARIC/006-26

Committee Members:
Ms Michele Bennetts, Mr Duy Vo, Cr S Wessely, Cr P Warner and Cr J Dwyer
(Council Resolutions- 140/25 and 157/25)

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1 DECLARATION OF OPENING

The Presiding Member declared the meeting open at 9.35am.

2 ANNOUNCEMENT OF VISITORS

Nil

3 RECORD OF ATTENDANCE

Cr J Dwyer confirmed that she was alone in a secure location in her car at the ARC Infrastructure Depot, Midland Road, Three Springs WA, which was suitable for discussing confidential matters. Accordingly, she applied for approval to attend the Audit, Risk and Improvement Committee Meeting by electronic means.

The Presiding Member was satisfied that Cr J Dwyer was in a secure location appropriate for discussing confidential matters and allowed her to participate fully in the meeting at 9.35am.

Councillors:	Cr P Warner Cr J Dwyer (joined electronically at 9.35am)
Independent Member:	Ms Michele Bennetts, Presiding Member (joined electronically at 9.35am)
Staff:	Mr P Durtanovich, Acting Chief Executive Officer Ms T Tran, Acting Deputy CEO Ms M Yulo-Uy, Executive Officer (Minutes)

Cr S Wessely – on approved leave from 19 July 2026 to 19 October 2026 (Council Resolution 091/26)

4 DISCLOSURES OF INTEREST

Nil

5 CONFIRMATION OF MINUTES

OFFICER RECOMMENDATION/COMMITTEE DECISION:

Committee Resolution Number:	**ARIC / 001-026**

Moved: **Cr P Warner** **Seconded:** **Cr J Dwyer**

That the Minutes of the Audit and Risk Committee meeting held on 26 June 2025 be confirmed as a true and correct record.

Carried	**3 / 0**

For: Ms M Bennetts, Cr P Warner and Cr J Dwyer
Against: Nil

SUSPENSION OF MEETING PROCEDURES

Committee Resolution Number:	**ARIC / 002-26**

Moved **Cr P Warner** **Seconded** **Cr J Dwyer**

That in accordance with cl 17.1 of the Shire of Menzies Meeting Procedures Local Law 2021 that so much of the Meeting Procedures be suspended, to allow Committee Members to speak for longer than would otherwise be permitted, to speak more than once, as the case might be, and to ensure a full and frank discussion of the matters on the agenda.

Carried	**3 / 0**

For: Ms M Bennetts, Cr P Warner and Cr J Dwyer
Against: Nil

6 REPORTS OF OFFICERS

The Acting CEO advised the committee of additional information included in the Compliance Audit Return 2025 in respect of items 4, 5, 40, 49 and 59.

6.1	**Compliance Audit Return 2025**
LOCATION	**Not applicable**
APPLICANT	**Internal**
DOCUMENT REF	**IAM1712**
DATE OF REPORT	**26 August 2026**
AUTHOR	**Deputy Acting CEO, Tien Tran**
RESPONSIBLE OFFICER	**Acting CEO, Pascoe Durtanovich**
DISCLOSURE OF INTEREST	**Nil**
ATTACHMENT	1. 2025 Compliance Audit Return - Shire of Menzies [**6.1.1** - 17 pages]

SUMMARY:

The Shire is required to complete a compliance audit for the period 1 January to 31 December 2025. The Chief Executive Officer must prepare the compliance audit return and provide it to the Audit, Risk and Improvement Committee (ARIC) for review. The ARIC must report the results of its review, and any recommendations it considers appropriate, to Council before Council considers and adopts the return. Transitional regulation 20 requires the information for the 2025 return to be provided to the Local Government Inspector no later than 30 September 2026, unless that deadline is extended by the Inspector.

BACKGROUND:

Moore Australia prepared a limited desktop review to assist the Shire with the 2025 Compliance Audit Return. The review was based on the supplied CAR working paper, management comments and referenced records. It was not an audit or assurance engagement and did not independently re-test every underlying document or transaction.

- On-site and remote meetings with the Shire.
- CAR working paper and management comments
- Council and committee minutes
- Delegations, financial interests, gifts and tender registers
- Policies, notices, plans and tender documentation
- Annual Report 2024-2025 and the Financial Management Review
- The Shire's official website and current Western Australian legislation

COMMENT:

The final summary records three matters as non-compliant.

For question 59, the records reviewed did not clearly demonstrate that a complete regulation 17 review had been completed within the required three-year period. The Shire should schedule and document the review, record its scope and Council acceptance date, and monitor the recurring due date.

For question 77, the 2025 Financial Management Review and Shire comments noted a small number of purchasing policy exceptions. Recommended actions are to use a concise Policy 4.2 checklist, raise purchase orders before invoices where practicable, maintain a shared contract and service register, and spot-check a small sample each quarter.

For question 81, an instance of non-compliance was identified in relation to the tender opening process where a second authorised person was not present. Staff have been reminded of the legislative requirements for tender opening to ensure future compliance.

CONSULTATION:

Moore Australia and Shire management.

STATUTORY AUTHORITY:

The *Local Government (Audit) Regulations 1996*, as amended from 1 January 2026, apply to the 2025 compliance audit through transitional regulation 20.

- Regulation 13 prescribes the statutory requirements covered by the compliance audit.
- Regulation 14(1) requires a compliance audit for each calendar year. Under regulation 14(2), the CEO must prepare the return in the form approved by the Inspector and provide a copy to the ARIC.
- Regulation 14(3) and (4) require the ARIC to review the return, report the results to Council and make any recommendations it considers appropriate.
- Regulation 14(5) and (6) require Council to consider the return and the ARIC's review, determine whether action is required, and adopt the return or adopt it subject to amendments proposed by Council.
- Regulation 15 requires the adopted return to be signed by the Shire President and CEO and provided to the Inspector with the ARIC's recommendations, the relevant Council minutes and any explanatory or qualifying information.
- Regulation 20 sets a special deadline of 30 September 2026 for the information relating to the 2025 compliance audit, unless the Inspector grants an extension.

Section 7.13(i) of the Local Government Act 1995 authorises regulations prescribing the statutory requirements for compliance audits.

POLICY IMPLICATIONS:

No specific policy implications were identified in the supplied CAR materials. Implementation of the recommended actions may require updates to administrative procedures, checklists and compliance calendars.

FINANCIAL IMPLICATIONS:

No specific financial implications were quantified in the supplied materials. Any costs associated with remedial actions should be considered through the Shire's normal budgeting and procurement processes.

RISK ASSESSMENT:

Risk Statement	Level of Risk	Risk Mitigation Strategy
Failure to finalise accurate CAR responses, address identified non-compliance and meet the statutory submission requirements may expose the Shire to legislative compliance and governance risk.	The perceived level of risk is medium prior to treatment.	Complete and monitor the regulation 17 review, strengthen purchasing controls, reinforce legislative requirements for tender opening procedures and submit the adopted return and supporting information by the applicable deadline.

STRATEGIC IMPLICATIONS:

The Shire’s Council Plan 2025-2035 outlines the following outcomes and strategies:

7. A strategically focused Council, leading our community.
7.1 Provide strategic leadership and governance.
8. An efficient and effective organisation.
8.1 Maintain a high level of corporate governance, responsibility and accountability.

Accordingly, the officer’s recommendation aligns with the Shire’s Council Plan.

VOTING REQUIREMENTS:

Simple Majority

OFFICER RECOMMENDATION/COMMITTEE DECISION:

Committee Resolution Number:	**ARIC / 003-26**

Moved: **Cr P Warner** **Seconded:** **Cr J Dwyer**

That it be a recommendation to the Council:

That:

1. **The completed 2025 Compliance Audit Return, as attached, for certification by the Shire President and the Chief Executive Officer in accordance with Regulation 15(1) of the Local Government (Audit) Regulations 1996, with the following amendments:**
   - **Item 4 and 5: The response be amended from 'N/A' to 'Yes' with the comment: "Item 13.2.5 Ordinary Council Meeting held 26 June 2025".**
   - **Item 40: The following comment be added: 'No additional requirements were adopted. Policy 1.1.1 strictly follows the Local Government (Model Code of Conduct) Regulations 2021', and response 'Yes' be added to the third question.**
   - **Item 49: The following comment be added: 'Council Plan 2025-35 complies with Regulation 19DA(2) and 3(C), covering a period of at least four financial years and integrating asset management, workforce planning and long-term financial planning'.**
   - **Item 59: The following comment be added: 'Although Council's resolution dates were provided, the records reviewed did not clearly demonstrate that a complete regulation 17 review had been completed within the required three-year period'.**

be adopted.

2. **The Chief Executive Officer be requested to submit the certified 2025 Compliance Audit Return to the Local Government Inspector by 30 September 2026, unless an extension is granted, in accordance with the Local Government (Audit) Regulations 1996.**

3. **The Chief Executive Officer be authorised to make any necessary minor typographical and formatting changes to the certified 2025 Compliance Audit Return prior to submission.**

Carried	**3 / 0**

For: Ms M Bennetts, Cr P Warner and Cr J Dwyer
Against: Nil

Behind Closed Doors – Confidential Report

Item 6.2 Risk Management Updates February 2026

This agenda item is confidential in accordance with Section 5.23(4)(e) of the Local Government Act 1995 which permits the meeting to be closed to the public, for business relating to the following:

- Information the making public of which would be likely to endanger the security (including cyber-security) of any of the local government's property or operations;

COMMITTEE DECISION:

Committee Resolution Number:	**ARIC / 004-26**

Moved: **Cr J Dwyer** **Seconded:** **Cr P warner**

That in accordance with Section 5.23(4)(e) of the Local Government Act 1995, the meeting be closed to members of the public to consider Item 6.2 'Risk Management Updates February 2026'.

Carried	**3 / 0**

For: Ms M Bennetts, Cr P Warner and Cr J Dwyer
Against: Nil

The meeting was closed to the members of the public at 10.05am.

Item 6.2 Risk Management Updates February 2026

OFFICER RECOMMENDATION/COMMITTEE DECISION:

Committee Resolution Number:	**ARIC / 005-26**

Moved: **Cr P Warner** **Seconded:** **Cr J Dwyer**

That it be a recommendation to the Council:

That the summary of updates to the risk profiles, the risk register up to February 2026, and the above report updating risk management activities undertaken to date be noted.

Carried	**3 / 0**

For: Ms M Bennetts, Cr P Warner and Cr J Dwyer
Against: Nil

MEETING OPENED TO THE PUBLIC:

Committee Resolution Number:	**ARIC / 006-26**

Moved: **Cr P Warner** **Seconded:** **Cr J Dwyer**

That the meeting be opened to the members of the public.

Carried	**3 / 0**

For: Ms M Bennetts, Cr P Warner and Cr J Dwyer
Against: Nil

7 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

8 NEW BUSINESS OF AN URGENT NATURE

Nil

9 NEXT MEETING

To be confirmed.

10 CLOSURE OF MEETING

The Presiding Member declared the meeting closed at 10.33am