

Shire of Tammin

AUDIT AND RISK COMMITTEE MEETING

Minutes



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NOTICE OF MEETING

Dear Elected Member,

Please be advised that a meeting of the Audit and Risk Committee of the Shire of Tammin will be held on Tuesday 08th September 2026 Via Teams or by attending the Council Chambers, 1 Donnan Street Tammin, commencing at 3:00pm.

Andrew Malone
Chief Executive Officer

25 August 2026

CHARTER

The role of the Audit and Risk Committee is to provide an independent oversight of the financial systems of a local government on behalf of Council. The Council (unless delegated to the Audit and Risk Committee) is required to meet a minimum of once per year with the Auditor (which may be by video or telephone).

Members of the Audit and Risk Committee are Cr's, Charmaine Thomson, Cr Tanya Nicholls & Jill Rogers , Chairperson Rodney Stokes, Deputy Greg Packham

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1. DECLARATION OF OPENING

The Chairperson will declare the meeting open at 3:15 pm.

1.1 ACKNOWLEDGEMENT TO COUNTRY

We begin today by acknowledging the Ballardong Noongar People as traditional custodians of the land and skies on which we gather, and we pay our respects to their Elders, past, present and emerging.

2. RECORD OF ATTENDANCE

Present:

In Attendance:

Leave of Absence:

Nil

Apologies:

PR Thomson

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

4. PUBLIC QUESTION TIME

Nil

5. DECLARATIONS OF INTEREST

Nil

6. CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

Nil

7. AGENDA ITEMS

7.1 Compliance Audit Return - 2025

Location:	Shire of Tammin
Applicant:	Chief Executive Officer
Date:	03 February 2026
Author:	Codey Redmond
Item Approved by:	Chief Executive Officer
Disclosure of Interest:	Nil
File Reference:	Nil
Attachments:	Attachment Item 7.1 - Compliance Audit Return 2025

Proposal/ Summary

For The Committee to review the 2025 Compliance Audit Return and recommended its adoption by Council.

Background

Each local government is to carry out a compliance audit (following the end of each calendar year) against the requirements included in the Department of Local Government, Sports & Cultural Industries Compliance Audit Return (CAR).

The Report is first to be presented to the Audit Committee for its consideration and direction to address any issues it may have.

In cases of non-compliance, additional information is required, explaining or qualifying the issues, together with explanation of what remedial action has been taken or proposed, with such information to be included in the Agenda item. Each Committee Member is to be provided the opportunity to review the completed Return and make comment.

The adoption of the Return is to be recorded in the minutes of the subsequent Council meeting.

The completed Return is to be submitted to the Department of Local Government by 31 March each year which has been deferred until 30 September 2026.

Comment

The Compliance Audit Return has been completed and is now presented to the Shire's Audit Committee in accordance with Regulations. No areas of non-compliance were identified in the 2025 return.

Consultation

Chief Executive Officer

Policy Implications

Nil

Statutory Environment

Local Government Act –

s7.13(1)(i) provides that: Regulations may make provision –

- (i) Requiring local governments to carry out, in the prescribed manner and in a form approved by the Minister, 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*

Local Government (Audit) Regulation 1996

Clause 14 provides that:

- (1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.*
- (2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.*
- (3A) The local government’s audit committee is to review the compliance audit return and is to report to the council the results of that review.*
- (3) A compliance audit return is to be –*
 - (a) presented to the council at a meeting of the council;*
 - (b) adopted by the council; and*
 - (c) recorded in the minutes of the meeting at which it is adopted.*

Strategic Implications

“Civic Leadership Strategies

Our Councillors and community leaders have vision, are accessible, act with transparency and integrity, and act in good faith on behalf of their constituents.

The following outcomes and strategies have been identified to achieve this vision.

Outcome 6.1 Strong governance and leadership, demonstrating fair and equitable community values

- 6.1.1 *Deliver sustainable governance through transparent and robust policy and processes*
6.1.2 *Undertake the civic duties of Council with the highest degree of ethics"*

OFFICER RECOMMENDATION:

That the Audit Committee, pursuant to Regulation 14 of the Local Government (Audit) Regulations 1996, recommend to Council that it:

1. Adopt the attached Compliance Audit Return 2025;
2. Authorise the Shire President and Chief Executive Officer to certify the Return; and,
3. Instruct the Chief Executive Officer to lodge the CAR 2025 with the Department of Local Government, Sport and Cultural Industries.

Moved: Rodney Stokes

Seconded: Cr Tanya Nichols

Vote: Absolute Majority

Carried/Lost: 4/0

For:

Against:

7.2 Audit Interim Findings for period ended 30 June 2026

Location:	Shire of Tammin
Applicant:	Manager of Finance and Corporate Services
Date:	3 February 2026
Author:	Codey Redmond
Item Approved by:	Chief Executive Officer
Disclosure of Interest:	Nil
File Reference:	Nil
Attachments:	Attachment Item 7.2 – Interim Management Letter

PROPOSAL / SUMMARY

To give a status report regarding actions taken in response to the attached Interim Management letter presented by the Office of The Auditor General (OAG) for the period ended 30 June 2026.

BACKGROUND

William Buck were appointed as the Council's Auditors in 2025/26 for a three-year term. An electronic entrance meeting between William Buck Partners, the OAG and the Shire was held on the 1st May 2026 for the presentation and discussion of the Audit Planning Memorandum.

Interim audit fieldwork for the 2025/26 period was conducted onsite 11th-15th May with supplementary work continuing remotely throughout May. William Buck presented their findings to the OAG who issued an audit opinion.

The audit is conducted in accordance with the Australian Auditing Standards with the objective of reducing the level of material misstatement in the financial report to an acceptably low level.

COMMENT

The MACRI Interim Audit Management Letter has identified Two significant risk's & One Moderate Risk in need of remedial action to overcome process deficiency. Management have provided comment on the finding and have undertaking the necessary action to ensure compliance.

INDEX OF FINDINGS	RATING			Prior year finding
	Significant	Moderate	Minor	
Current year issues				
1. Rates revenue	✓			N/A
2. Procurement of goods and services	✓			Yes
3. Lack of system user access review and monitoring		✓		N/A

Significant	-	Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.
Moderate	-	Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.
Minor	-	Those findings that are not of primary concern but still warrant action being taken.

1. Rates Revenue

Findings:

For the 2026 financial year, the Shire calculated and levied rates using the Landgate valuation as at 1 July 2024 instead of the valuation as at 1 July 2025. The *Local Government Act 1995* Section 6.28(4) prescribes the use of the valuation in force as at 1 July in each financial year as a basis for calculating the rates.

Management informed us that that the Council was notified of this oversight in September 2025. Management further informed the Council that there would be no financial impact as the budgeted rates revenue for 2026 had already been achieved by applying a predetermined percentage increase to rates in dollar. Accordingly, the Shire elected not to pursue additional rates revenue based on the updated valuations.

The Minister has also been subsequently advised in writing on 25 June 2026.

Management Response:

Administration acknowledges the Significant Finding.

This matter occurred due to an administration error. This was identified early by administration, reported to Council and given there were no financial implications, no further actions were taken at that time. The Shire has subsequently written to the Minister, the Department and the Department Inspector reporting a technical breach of the Local Government Act - Division 6 Subdivision 1 Section 6.28 Basis of Rates (4), albeit having no direct impact to the governance of Council or any direct impact to the finances of Council or the Shire's ratepayers.

The Shire will maintain strict controls and processes to ensure that all future valuations will be applied in setting the Shire's rate yield return and budget parameters.

Action taken:

The Shire Informed council of the finding and self reported to the issue to the Minister. As the desired budget was reached no physical action was needed however adjustments were made during rates setting to not implement 2 years of revaluations at once.

2. Procurement of goods and services

Findings:

We identified Four instances (2025: Three instances) where no documentary evidence was available to demonstrate that the required number of quotations had been obtained in accordance with the Shire's purchasing policy.

This was initially raised as a finding in the year ended 30 June 2025 management letter.

Management Response:

Administration acknowledges the Significant Finding.

The instances identified during the audit related to low-value purchases under \$5,000. In these cases, verbal quotations were generally obtained in accordance with operational practice; however, the details of those verbal quotations were not consistently documented or retained on file. As a result, sufficient evidence was not available to demonstrate compliance with the policy requirements.

Following feedback received during the Interim Audit, the Shire reviewed its procurement processes and identified opportunities to improve documentation requirements for purchases within this value range. Council subsequently reviewed and amended the Purchasing Policy at its June 2026 meeting to ensure the policy remains practical, proportionate, and aligned with the Shire's operational environment.

The policy amendments recognise that a significant proportion of the Shire's day-to-day purchases fall below \$5,000 and seek to reduce administrative burden while maintaining appropriate governance and value-for-money principles. Regardless of the policy changes, the Shire remains committed to sound procurement practices, transparency, and maintaining adequate records to support purchasing decisions. While this finding is similar in category to that reported in the previous year, Administration notes that the circumstances are materially different. The 2026 finding relates to documentation and record-keeping deficiencies associated with low-value purchases, rather than significant procurement irregularities as identified during the 2025 audit process. The issue identified in 2026 is the absence of adequate records to support verbal quotations obtained for routine low value operational purchases. It should be noted that administration has gone to great lengths to improve its processes, governance and procedures relating to procurement from the 2025 Findings.

Action taken:

The shire adopted an amendment to the procurement policy during the June 2026 ordinary council which addresses the shortfall in procedure.

3. Lack of system user access review and monitoring**Findings:**

We noted that user access to the Synergy Soft accounting software included a terminated employees i.e. the former Manager of Finance, terminated on 31 July 2025. The user profile was removed on 28 May 2026 after we raised this issue with management.

Management Response:

Administration acknowledges the Moderate Finding.

The former employee's access to the Shire's network and server environment was revoked on 11 August 2025 by the Shire's contracted IT service provider. The user's account was removed from the Shire's servers and associated systems, preventing any access to Shire files, applications, or software from the date of cessation.

The Finding relates to a duplicate profile previously used to access a laptop. Synergy user accounts are typically transferred to incoming employee however, as this was a duplicate account, it remained in the previous employee's name. While the user account remained listed in the prior employee's name within the Synergy system as a Super User, this did not present a security risk, as access to the Shire's network and servers had already been removed. However, without access the former employee was unable to access or utilise the Synergy system.

To address the audit finding and strengthen user access controls, the unused user account has now been removed from the Synergy system. Administration will ensure that future user termination processes include the removal of access from all relevant third-party applications and systems.

Action taken:

All proper security actions were taken at the time, we have since deleted the unused profiles and will periodically review system access and obsolete accounts especially at staff handover.

CONSULTATION

William Buck Audit Partner – Liam Gunton
William Buck Audit Manager – Amar Nathwanu=i
OAG Representative – Suraj Karki

STATUTORY ENVIRONMENT

Local Government Act 1995 – Section 7.9

7.9. Audit to be conducted

- (1) An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —*
 - (a) the mayor or president; and*
 - (b) the CEO of the local government; and*
 - (c) the Minister.*
- (2) Without limiting the generality of subsection (1), where the auditor considers that —*
 - (a) there is any error or deficiency in an account or financial report submitted for audit; or*
 - (b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or*
 - (c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government,*
details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.
- (3) The Minister may direct the auditor of a local government to examine a particular aspect of the accounts and the annual financial report submitted for audit by that local government and to —*
 - (a) prepare a report thereon; and*
 - (b) forward a copy of that report to the Minister,*
and that direction has effect according to its terms.
- (4) If the Minister considers it appropriate to do so, the Minister is to forward a copy of the report referred to in subsection (3), or part of that report, to the CEO of the local government.*

[Section 7.9 amended: No. 49 of 2004 s. 7; No. 5 of 2017 s. 16.]

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.*

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Non-compliance could result in adverse financial outcomes.

STRATEGIC IMPLICATIONS

Civic Leadership Strategies

Outcome 6.1 Strong governance and leadership, demonstrating fair and equitable community values

6.1.1 Deliver sustainable governance through transparent and robust policy and processes

6.1.2 Undertake the civic duties of Council with the highest degree of ethics

OFFICERS RECOMMENDATION:

The Audit and Risk Committee receives the Status Report demonstrating the actions taken regarding the issues raised in the 2025/26 Interim Management Letter.

Moved: Greg Packham

Seconded: Cr Jill Rogers

Vote: Absolute Majority

Carried/Lost: 4/0

For:

Against:

8. CLOSURE OF MEETING

There being no further business, the Chairperson will declare the meeting closed at 3:32 pm.