



MINUTES

Audit, Risk and Improvement Committee

2 June 2026

CONFIRMATION OF MINUTES

These Minutes have been CONFIRMED by the Committee as the official record for the Shire of Gingin's Audit Committee held on Tuesday 2 June 2026.

Shona Zulsdorf
CHAIRPERSON

Date of Confirmation: _____

ACKNOWLEDGEMENT OF COUNTRY



The Shire of Gingin acknowledges the Yued people, the traditional owners of Yued Boodja. The Shire pays respect to Yued Elders past and present, and acknowledges emerging Yued leaders. We extend this respect to all Aboriginal people. The Shire recognises the living, dynamic culture of the Yued people and the unique contribution they make to the Gingin region on Yued Boodja.

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1 DECLARATION OF OPENING

The Chairperson declared the meeting open at 11:02 am and welcomed all in attendance.

2 RECORD OF ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE

2.1 ATTENDANCE

Members – S Zulsdorf (Independent Chairperson), Cr L Balcombe (President), Cr F Peczka (Deputy President) and Cr D Wilkie.

Staff – J Bayliss (Acting CEO), R Wright (Executive Manager Corporate Services), K Leonhardt (Manager Corporate Services) and L Burt (Coordinator Governance/Minute Officer).

Observer - A Lamb (Deputy of the Chairperson)

Gallery – There were no members of the public present in the Gallery.

2.2 APOLOGIES

Cr A Vis

2.3 LEAVE OF ABSENCE

Nil

3 DISCLOSURES OF INTEREST

S Zulsdorf

Item: 5.2 2025/26 Financial Audit – Interim Management Letter

Interest: Impartiality

Reason: The auditing firm, Moores, is also the external auditor for the Shire of York. I am the Chairperson of the Shire of York’s Audit, Risk and Improvement Committee.

4 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION/OFFICER RECOMMENDATION

MOVED: Councillor Balcombe **SECONDED:** Councillor Peczka

That the Minutes of the Audit Committee meeting held on 2 December 2025 be confirmed as a true and accurate record.

CARRIED UNANIMOUSLY
4 / 0

FOR: *Shona Zulsdorf, Councillor Balcombe, Councillor Peczka and Councillor Wilkie*

AGAINST: *Nil*

5 OFFICERS' REPORTS

5.1 2025/26 FINANCIAL MANAGEMENT REVIEW

File	FIN/16
Author	Karina Leonhardt - Manager Corporate Services
Reporting Officer	Rachael Wright - Executive Manager Corporate Services
Refer	Nil
Appendices	Nil

DISCLOSURES OF INTEREST

Nil

PURPOSE

To receive and make recommendations to Council with respect to the outcomes of the April 2026 Review of Financial Management Systems for the Shire of Gingin.

BACKGROUND

Financial Management Reviews were formerly carried out in accordance with Regulation 5(2) of the *Local Government (Financial Management) Regulations 1996* with the last review completed in 2022/23.

As part of the Local Government Regulations Amendments (December 2025) these reviews are now conducted under the *Local Government (Audit) Regulations 1996 and specifically* Reg. 17(1), which requires that the CEO undertake regular reviews of the appropriateness and effectiveness of the Shire's financial management systems and procedures. Previously required to be reviewed at least every three years, under the amended regulations, a review can take place at any time but must be reviewed not less than once every four years. Once completed, the CEO is then to report to the local government's Audit, Risk and Improvement Committee, the results of the review.

To facilitate compliance with the requirements of the Regulations, Source Business Partners was commissioned by the Chief Executive Officer to undertake a review of the Shire's financial management systems. This review is independent of the annual audit (incorporating interim) undertaken by the Office of the Auditor General and its contractors (currently Moore Australia (WA) Pty Ltd).

A copy of the full Financial Management Review Report is provided for the Committee's information as a **confidential appendix**.

As detailed in the report, a total of 22 systems and processes were examined as follows:

1. System Management
2. Purchases, Payments and Payables
3. Receipts and Receivables
4. Rates
5. Bank Reconciliations
6. Trust Funds
7. Internal Controls and Risk Management in respect to Finance
8. Petty Cash Management
9. Fees and Charges
10. Cost Management and Controls
11. Administration and Overheads Allocations
12. Minutes and Meetings
13. Financial Reporting
14. Long Term Financial Planning and Budgeting
15. General Journals
16. Fixed Assets
17. Delegations in relation to Finance
18. Storage of Financial Documents and Record Keeping
19. Credit Cards
20. Reserves
21. General Compliance
22. Policies and Procedures

COMMENT

During the review, 24 observations were noted as follows:

- Seven opportunities for improvement;
- Nine minor findings;
- Eight moderate findings; and
- No significant findings.

Whilst none of the items noted above are of significant risk, comments and any proposed/commenced actions have been provided within the Financial Management Review report included in the appendices for the Committee's information and attention.

STATUTORY/LOCAL LAW IMPLICATIONS

Local Government Act 1995
Part 6 Financial Management
Division 4 - General financial provisions
s. 6.10 Financial Management Regulations

Local Government (Audit) Regulations 1996
Reg. 17(1) - CEO to review certain systems and procedures

POLICY IMPLICATIONS

Nil

BUDGET IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Shire of Gingin Strategic Community Plan 2024-2034

Aspiration	4. Excellence & Accountability - Deliver Quality Leadership and Business Expertise
Strategic Objective	4.2 Effective Governance - Apply systems of compliance which assists Council to make informed decisions within a transparent, accountable and principled environment

VOTING REQUIREMENTS - SIMPLE MAJORITY

COMMITTEE RESOLUTION

MOVED: Shona Zulsdorf **SECONDED:** Councillor Peczka

That the Committee move into a Confidential Session for the purpose of discussing the confidential appendix for Item 5.1.

CARRIED UNANIMOUSLY
4 / 0

FOR: *Shona Zulsdorf, Councillor Balcombe, Councillor Peczka and Councillor Wilkie*

AGAINST: *Nil*

The meeting was closed to the public at 11:06 am. There were no members of the public present in the Gallery. Committee members, Shire employees and Mr Lamb (Deputy of the Chairperson) remained in the meeting.

COMMITTEE RESOLUTION

MOVED: Councillor Balcombe **SECONDED:** Councillor Wilkie

That the meeting be re-opened to the public.

CARRIED UNANIMOUSLY
4 / 0

**MINUTES
AUDIT, RISK AND IMPROVEMENT COMMITTEE
2 JUNE 2026**



FOR: *Shona Zulsdorf, Councillor Balcombe, Councillor Peczka and Councillor Wilkie*

AGAINST: *Nil*

The meeting re-opened to the public at 11:19 am. No members of the public returned to the meeting.

COMMITTEE RESOLUTION/OFFICER RECOMMENDATION

MOVED: Councillor Balcombe **SECONDED:** Councillor Wilkie

That the Audit, Risk and Improvement Committee recommend that Council receive:

1. The results of the April 2026 Financial Management Review undertaken by Source Business Partners Pty Ltd on behalf of the Chief Executive Officer; and
2. Management comments and proposed/commenced actions on those items identified for improvement.

**CARRIED UNANIMOUSLY
4 / 0**

FOR: *Shona Zulsdorf, Councillor Balcombe, Councillor Peczka and Councillor Wilkie*

AGAINST: *Nil*

5.2 2025/26 FINANCIAL AUDIT - INTERIM MANAGEMENT LETTER

File	FIN/25
Author	Karina Leonhardt – Manager Corporate Services
Reporting Officer	Rachael Wright - Executive Manager Corporate Services
Refer	Nil
Appendices	Nil

DISCLOSURES OF INTEREST

Shona Zulsdorf disclosed an impartiality interest in Item 5.2 as the auditing firm, Moores, is also the external auditor for the Shire of York. She is the Chairperson of the Shire of York's Audit, Risk and Improvement Committee.

PURPOSE

To inform the Audit, Risk and Improvement Committee of the findings and recommendations outlined in the Interim Management Letter issued by the Office of Auditor General (OAG) as part of the audit for the financial year ended 30 June 2026.

BACKGROUND

Regulation 16 of the *Local Government (Audit) Regulations 1996* establishes the function of an Audit, Risk and Improvement Committee (Committee). It requires the Committee to guide and assist the local government in carrying out its functions under Part 6 of the *Local Government Act 1995 (the Act)* relating to financial management. In fulfilling this function, the Committee is to receive and review the audit reports provided by the external auditor under Part 7 of the Act and recommend to the Council any actions to be taken by the local government.

The annual financial audit process for 2025/26 includes the following timetable:

Process	Estimated Timeframe
Audit Engagement and Planning	February - March 2026
Audit Entrance Meeting	2 April 2026
Interim Audit Site Visit	14 - 17 April 2026
Issue of Interim Management Letter	Mid-May 2026
Financial Report (AFR) Provided to Auditor	11 September 2026
Final Audit Site Visit	14 - 18 September 2026
Audit Concluding	Mid-October 2026
Audit Exit Meeting	Mid-November 2026
Signed AFR to be provided to Auditor	Mid-November 2026
Auditor's Report to be Issue to the Shire	Mid-November 2026

The interim financial audit for the Shire of Gingin for the 2025/26 financial year has now been completed by the contract auditor Moore Australia (WA) Pty Ltd as appointed by the OAG. A copy of the Interim Management Letter for the 2025/26 financial year is provided in the **Confidential Appendix**.

COMMENT

The 2025/26 Interim Audit Management Letter identified five findings arising from the interim financial audit. From a financial audit perspective, this indicates that the auditor noted a number of control, compliance or process matters during interim testing that warrant management attention. These findings are rated either, minor, moderate or significant and highlight areas where internal controls and financial management practices can be strengthened to reduce the risk of error, non-compliance, or repeat audit issues in the final audit

Details and management responses to these findings are detailed in the **Confidential Appendix**.

RISK IMPLICATIONS

If the findings listed in the Interim Audit Management Letter are not addressed in a timely fashion, the Shire may continue to have weaknesses in key controls, financial reporting and internal processes. This could lead to errors in the accounts, incorrect reporting, and ongoing audit findings in future years. Over time, this may place pressure on staff resources, delay decision-making, and affect the Shire's reputation and community confidence.

STATUTORY/LOCAL LAW IMPLICATIONS

Local Government Act 1995

Part 6 – Financial Management

Division 3 – Reporting on activities and finance

Part 7 – Audit

Division 1A – Audit Committee

Division 3 – Conduct of Audit

Division 4 - General

Local Government (Audit) Regulations 1996

Reg. 9 – Performance of Audit

Reg. 10 – Report by auditor

Reg. 16. Functions of audit committee

Local Government (Financial Management) Regulations 1996

Regs. 36-50 – Annual financial report, content of

Australian Accounting Standards Board Standards

POLICY IMPLICATIONS

Nil

BUDGET IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

Shire of Gingin Strategic Community Plan 2024-2034

Aspiration	4. Excellence & Accountability - Deliver Quality Leadership and Business Expertise
Strategic Objective	4.2 Effective Governance - Apply systems of compliance which assists Council to make informed decisions within a transparent, accountable and principled environment
Strategic Objective	4.4 Strategic & Sustainable Financial Planning - Undertake long-term resource planning and allocation in accordance with the Integrated Planning and Reporting Framework

VOTING REQUIREMENTS - SIMPLE MAJORITY

COMMITTEE RESOLUTION/OFFICER RECOMMENDATION

MOVED: Councillor Peczka **SECONDED:** Councillor Balcombe

That the Committee move into a Confidential Session for the purpose of discussing the confidential appendix for Item 5.2.

**CARRIED UNANIMOUSLY
4 / 0**

FOR: *Shona Zulsdorf, Councillor Balcombe, Councillor Peczka and Councillor Wilkie*

AGAINST: *Nil*

The meeting was closed to the public at 11:22 am. There were no members of the public present in the Gallery. Committee members, Shire employees and Mr Lamb (Deputy of the Chairperson) remained in the meeting.

COMMITTEE RESOLUTION/OFFICER RECOMMENDATION

MOVED: Councillor Balcombe **SECONDED:** Councillor Peczka

That the meeting be re-opened to the public.

CARRIED UNANIMOUSLY
4 / 0

FOR: *Shona Zulsdorf, Councillor Balcombe, Councillor Peczka and Councillor Wilkie*

AGAINST: *Nil*

The meeting re-opened to the public at 11:31 am. No members of the public returned to the meeting.

COMMITTEE RESOLUTION/OFFICER RECOMMENDATION

MOVED: Councillor Balcombe **SECONDED:** Councillor Wilkie

That the Audit, Risk and Improvement Committee:

1. Receive the findings and recommendations outlined in the Interim Management Letter issued by the Office of Auditor General (OAG) as part of the audit for the financial year ended 30 June 2026; and
2. Note the final letter will be issued on completion of the annual audit and Annual Financial Report after review by the OAG and will be presented to the Audit, Risk and Improvement Committee at the next available meeting after receipt of the letter for consideration.

CARRIED UNANIMOUSLY
4 / 0

FOR: *Shona Zulsdorf, Councillor Balcombe, Councillor Peczka and Councillor Wilkie*

AGAINST: *Nil*

6 CLOSURE

There being no further business, the Chairperson declared the meeting closed at 11:32 am.

The next meeting of the Audit, Risk and Improvement Committee will be held in the Council Chambers at the Shire of Gingin Administration Centre, 7 Brockman Street, Gingin on a date to be determined.