AGENDA

AUDIT COMMITTEE

25 AUGUST 2026

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Dr Kenneth Parker
CHIEF EXECUTIVE OFFICER

SHIRE OF WAGIN

Minutes for the Audit Committee meeting to be held in the Council Chambers, Wagin on Tuesday, 25 August 2026 commencing at 6.00pm

CONTENTS

1. OFFICIAL OPENING

The Independent Chairperson Mrs Cath Painter opened the meeting at 6:01pm

2. RECORD OF ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

Chairperson

Mrs Cath Painter	Independent Chair

Councillors

Cr Bryan Kilpatrick	Deputy Shire President
Cr Wade Longmuir	Elected Member
Cr Sherryl Chilcott	Elected Member
Cr Ann O'Brien	Elected Member

Staff

Dr Kenneth Parker	Chief Executive Officer
John Fathers	Deputy Chief Executive Officer
Donna Fawcett	Manager of Finance
Zoe Enright	Executive Assistant

Visitors

Apologies

Cr Jason Reed	Elected Member

Approved Leave of Absence

Cr Phillip Blight	Shire President
Cr Geoff West	Elected Member

Public Gallery

3. DISCLOSURE OF FINANCIAL AND OTHER INTERESTS

NIL

4. CONFIRMATION OF PREVIOUS MEETING MINUTES

4.1. MINUTES FROM THE AUDIT COMMITTEE MEETING HELD 18 MARCH 2025

OFFICER RECOMMENDATION AND COMMITTEE RESOLUTION

Moved Cr B Kilpatrick **Seconded Cr S Chilcott**

That the minutes of the Audit Committee meeting held on 18 March 2025 and circulated to all Councillors, be confirmed as a true and accurate record.

CARRIED 5/0

5. REPORTS TO COMMITTEE

5.1. COMPLIANCE AUDIT RETURN FOR 2025

SENIOR OFFICER:	Chief Executive Officer
PREVIOUS REPORT(S):	Nil.
DISCLOSURE OF INTEREST:	Nil
FILE REFERENCE:	
STRATEGIC DOCUMENT REFERENCE:	
ATTACHMENTS:	

OFFICER RECOMMENDATION AND COMMITTEE RESOLUTION

Moved Cr S Chilcott **Seconded Cr W Longmuir**

That the Audit Committee recommend that Council:

1. **APPROVES the 2025 Compliance Audit Return for the period 1 January 2025 to 31 December 2025, as shown in attachment 1.**

2. **AUTHORISES the Shire President and Chief Executive Officer to certify the Compliance Audit Return**

3. **AUTHORISES the certified Compliance Audit Return being submitted to the Inspector of Local Government and Department of Local Government, Sport and Cultural Industries as required.**

CARRIED 5/0

BRIEF SUMMARY

The Compliance Audit Return is a legislative requirement used to assess compliance with elements of the *Local Government Act 1995* (the Act). The Compliance Audit Return takes the form of a questionnaire which, once completed and certified, is provided to the Department of Local Government, Sport and Cultural Industries (DLGSC).

BACKGROUND/COMMENT

The Compliance Audit Return provides a means to self-check compliance with statutory requirements.

The Compliance Audit Return is normally issued to local governments in January of a given year. This year however with the appointment of the Local Government Inspector, the timing of the Compliance Audit Return was moved later in the year.

Local governments are required to have their Compliance Audit Return considered by both their Audit, Risk and Improvement Committee and Council by the end of September.

Responses to the Compliance Audit Report are compiled by the Shire's senior staff team, who conduct the following assurance checks on the answers provided by the responsible functional areas:

- Verifies that evidenced records and their content exist in the record management system
- Verifies that evidenced Council resolutions did occur in the manner described through the review of Council minutes.

The 2025 Compliance Audit Return identifies no areas of non-compliance. This continues the trend in 2024. The Compliance Audit Return conducted for the 2023 calendar year identified five (5) areas of non-compliance.

CONSULTATION/COMMUNICATION

Nil.

STATUTORY/LEGAL IMPLICATIONS

Section 7.13(1)(i) of the Act requires local governments to carry out a compliance audit in a manner specified in the Regulations.

POLICY IMPLICATIONS

Nil.

FINANCIAL IMPLICATIONS

Nil.

STRATEGIC IMPLICATIONS

Council leadership.

VOTING REQUIREMENTS

Simple Majority

5.2. STRATEGIC RISK REGISTER

SENIOR OFFICER:	Chief Executive Officer
PREVIOUS REPORT(S):	Nil.
DISCLOSURE OF INTEREST:	Nil
ATTACHMENTS:	Draft Strategic Risk Register

OFFICER RECOMMENDATION AND COMMITTEE RESOLUTION

Moved Cr M O'Brien Seconded Cr B Kilpatrick

That the Audit, Risk and Improvement Committee recommends that Council ADOPTS the Strategic Risk Register as contained in Attachment 1.

CARRIED 5/0

BRIEF SUMMARY

In preparation of review the appropriateness and effectiveness of the local government's systems and procedures in relation to financial management; legislative compliance; and risk management required by the Audit Regulations and the preparation of a new Strategic Community Plan, Officers have prepared a revised Strategic Risk Register for the Audit, Risk and Improvement Committee's consideration.

BACKGROUND/COMMENT

The Shire's previous risk register prepared in 2023 had 34 identified risks.

The previous risk register was very broad and detailed, containing a large number of individual risks (over 30 clearly defined items, with capacity for many more), covering everything from strategic issues down to very specific operational matters. Many of the risks were highly detailed and activity-based—for example, risks relating to email management and unmonitored mailboxes, inability to recruit a mechanic, excessive leave balances, and power failures at the medical centre or evacuation centre.

While these are all valid concerns, the level of detail meant the register became a long list of day-to-day operational concerns rather than a focused view of the organisation's most critical exposures.

Officers have prepared a new Strategic Risk Register aligned to the organisation's new Strategic Community Plan.

Rather than listing dozens of operational risks it deals with the two primary trends in the community that impact the Shire's vision in the Strategic Community Plan.

Officers contend that in Wagin (and elsewhere) the trends are:

- the consolidation of primary producers and support industries and
- an increasingly aging population.

These macro-trends are largely beyond the Shire's control and are intertwined.

Contrary to conventional wisdom, as prosperity increases in regional community's demographic change occurs through aging.

This occurs because economic growth in these communities is typically generated through capital-intensive, highly efficient agricultural systems. A prosperous agricultural community is able to invest in external education pathways which removes young people from the local community at an early age. This can be seen most predominately in the Education Pavillion each Woolorama.

This means that demographic ageing is not occurring in spite of economic success, but partly because of it. The same forces that are delivering stronger agricultural performance are also contributing to fewer young people, reduced workforce depth, and declining volunteer capacity. As a result, these outcomes should be understood as interconnected and self-reinforcing, rather than separate issues. From a strategic perspective, this signals that population ageing is a structural consequence of the Shire's growth model, requiring adaptation to a smaller, older community rather than reliance on growth to rebalance demographics.

Competing to retain young people would one replicated in countless regional communities that ignores the structural reasons that young people may move away. Attempting to "win back" or retain all young people risks directing resources toward a cohort whose preferences and opportunities are structurally aligned elsewhere.

Officers suggest that migration decisions are fundamentally driven by perceived improvements in quality of life. Those who choose to live and remain in the community do so because they believe the lifestyle, economic opportunity, and social environment here are superior for them.

This means reframing success away from population recapture and toward community sustainability. Resources are better directed toward improving liveability for existing residents, supporting ageing in place, enabling local enterprise, and maintaining essential infrastructure and services at an appropriate scale. This approach acknowledges that an increasing albeit increasingly aging population—aligned with the economic realities of the region—is not a failure, but a sustainable outcome.

The Register identifies five strategic risks:

- reduced volunteer numbers and capacity

- reduced Shire workforce capacity
- inertia in commercial and industrial land development
- inertia in housing construction and renewal
- decline in facilities and building standards.

These strategic risks have been paired with ten strategic responses.

The Strategic Risk Register is proposed to sit within the Shire's new Corporate Business Plan and form a link between the high level vision of the Strategic Community Plan and the tangible work program contained in the new Corporate Business Plan.

The draft Strategic Risk Register is presented to the Committee for discussion and consideration.

CONSULTATION/COMMUNICATION

Nil.

STATUTORY/LEGAL IMPLICATIONS

Legislation which amended the role of the Audit Committee specifically introduced the concept of risk management within the role of the Committee.

POLICY IMPLICATIONS

In July 2024 Council established a risk management policy. This policy sets out a pragmatic approach to risk management.

FINANCIAL IMPLICATIONS

Nil.

STRATEGIC IMPLICATIONS

Council leadership.

VOTING REQUIREMENTS

Simple Majority

Simplified Risk Register

<table>
<tr><th></th><th></th><th>Strategic Risk</th><th>Strategic response</th></tr>
<tr><td rowspan="5">Trend - Consolidation of primary producers and support industries

Strategic response - Building agriculture and support industries</td><td rowspan="5">Trend - Increasingly aging population

Strategic response - Supporting our community age, especially by aging in place</td><td>Reduced volunteer numbers and capacity</td><td>Volunteer appreciation and recognition

Improving Shire facilities that volunteers use</td></tr>
<tr><td>Reduced Shire workforce capacity</td><td>Workplace flexibility & diversification

Greater efficiency through technology</td></tr>
<tr><td>Interia in commercial and industrial land development</td><td>Using differential rating to deincentive land banking

Servicing vacant land using Commonwealth and State Government funding</td></tr>
<tr><td>Intertia in housing construction and renewal</td><td>Advocacy for Commonwealth / State Government support for housing

Renewal of Shire housing stock</td></tr>
<tr><td>Decline in facilities and building standards</td><td>Additional investment in facilities maintenance

Asset consolidation where renewal is not possible</td></tr>
</table>

5.CONFIDENTIAL BUSINESS

OFFICER RECOMMENDATION AND COMMITTEE RESOLUTION

Moved Cr W Longmuir Seconded Cr B Kilpatrick

That the Audit Committee move behind closed doors and the meeting be closed to the public

CARRIED 5/0

5.3. CONFIDENTIAL - INTERIM AUDIT RESULT

SENIOR OFFICER:	Chief Executive Officer
PREVIOUS REPORT(S):	Nil.
DISCLOSURE OF INTEREST:	Nil
ATTACHMENTS:	Interim audit letter and report

OFFICER RECOMMENDATION AND COMMITTEE RESOLUTION

Moved Cr B Kilpatrick Seconded Cr S Chilcott

That the Audit Committee recommend that Council:

1. **NOTES the interim audit results; and**
2. **NOTES that the core system issue identified does not appear to be able to be resolved through the Shire's existing Enterprise Resource Program**

CARRIED 5/0

This report is confidential per section 5.23(4)(e) of the Local Government Act 1995 in that 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

OFFICER RECOMMENDATION AND COMMITTEE RESOLUTION

Moved Cr W Longmuir Seconded Cr M O'Brien

That the Audit Committee reopen the meeting to the public

CARRIED 5/0

6.CLOSURE

There being no further business, Independent Chairperson Mrs Cath Painter closed the meeting at 6:18 pm