



Shire of  
Peppermint Grove

# **AUDIT, GOVERNANCE AND RISK MANAGEMENT COMMITTEE MEETING**

## **MINUTES**

**HELD ON THE**

**26<sup>th</sup> NOVEMBER 2025 AT 10:30AM**



# Shire of Peppermint Grove

## AUDIT, GOVERNANCE AND RISK MANAGEMENT COMMITTEE MEETING AGENDA

**26 NOVEMBER 2025**

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### **1 DECLARATION OF OFFICIAL OPENING**

At 10:28 am, the CEO declared the meeting open.

### **2 NOMINATION OF PRESIDING MEMBER**

As the new regulations for Audit and Risk Committees have not yet come into place, the Shire will appoint an internal Presiding Member until the appointment of an independent member is required.

The CEO called for nominations for the Presiding Officer.  
The CEO will call for an election if required.

Cr Patrick Dawkins was nominated by Cr Hohnen.  
Cr Dawkins was elected unopposed.

### **3 RECORDING OF ATTENDANCE, APOLOGIES AND LEAVES OF ABSENCE**

#### **3.1 ATTENDANCE**

Deputy Shire President  
Elected Member

Cr P Dawkins – Presiding Member  
Cr C Hohnen

Chief Executive Officer  
Manager Corporate and Community Services

Mr D Burnett – via telephone  
Mr J Clapham

#### **3.2 GUESTS**

Director - Office of the Auditor General

Liang Wong

Audit Manager - Pitcher Partners

Gana Sajan

### **3.3 APOLOGIES**

Elected Member  
Elected Member

Cr P Macintosh  
Cr J Mahony

### **3.4 LEAVES OF ABSENCE**

## **4 DECLARATIONS OF INTEREST**

### **4.1 FINANCIAL INTEREST**

### **4.2 PROXIMITY INTEREST**

### **4.3 IMPARTIALITY INTEREST**

### **4.4 INTEREST THAT MAY CAUSE A CONFLICT**

### **4.5 STATEMENT OF GIFTS AND HOSPITALITY**

## **5 ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION)**

## **6 CONFIRMATION OF MINUTES**

### **OFFICER RECOMMENDATION – ITEM 6.1**

That the Minutes of the Audit, Governance and Risk Committee Meeting, of the Shire of Peppermint Grove held in the Council Chambers on 13 May 2025 be confirmed as a true and accurate record.

Moved: Cr Hohnen

Seconded: Cr Dawkins

**CARRIED**

**2/0**

**FOR: Presiding Member – Cr Patrick Dawkins, Cr Charles Hohnen.**

**AGAINST: NIL**

## 7 OFFICER REPORTS

### 7.1 2024/25 Draft Audited Annual Financial Report and Report to the Audit Committee – Office of the Auditor General and Pitcher Partners

#### **ATTACHMENT DETAILS**

<b><u>Attachment No</u></b>	<b><u>Details</u></b>
Attachment	Draft Audited 2024/25 Annual Financial Statements
Attachment	Pitcher Partners – Report to the Audit Committee

Voting Requirement	Simple Majority
Subject Index	Financial management Audit
Disclosure of any Interest	Nil
Responsible Officer	Jeremy Clapham, Manager Corporate & Community Services

#### **PURPOSE OF REPORT**

The purpose of this report is to receive the Draft Audited Annual Financial Statements for the year ended 30 June 2025 and the Report to the Audit Committee prepared by Pitcher Partners.

#### **SUMMARY AND KEY ISSUES**

The 2024/25 Draft Audited Annual Financial Statements have been prepared and the Committee is requested to receive the document. There were no issues identified during the audit for management to address (no issues in 2023/24).

#### **BACKGROUND**

The financial statements for the year ended the 30 June 2025, were presented to the Auditor for audit purposes and following the required amendments were presented to the Office of the Auditor General (OAG) for signing. Once the Audit Committee has received the Draft Annual Financial Statements, the audit report will be signed. It will then be presented to Council at the December Ordinary Council Meeting.

#### **CONSULTATION**

Pitcher Partners and the Office of the Auditor General.

#### **STRATEGIC IMPLICATIONS**

Strategic Priority 5- Governance

*Item 5.1- Continue to monitor the financial sustainability of the Shire's resources*

## **POLICY IMPLICATIONS**

Financial Management Policies

## **STATUTORY IMPLICATIONS.**

*Section 6.4 of the Local Government Act states:*

### *6.4 Financial report*

*(1) A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.*

*(2) The financial report is to —*

*(a) be prepared and presented in the manner and form prescribed; and*

*(b) contain the prescribed information.*

*(3) By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —*

*(a) the accounts of the local government, balanced up to the last day of the preceding financial year;*

*and*

*(b) the annual financial report of the local government for the preceding financial year.*

## **FINANCIAL IMPLICATIONS**

The audit fee as advised by the OAG for 2024/25 is \$41,099. This has been adjusted to \$38,812 by reallocating \$2,287 to the library.

## **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications at this time

## **SOCIAL IMPLICATIONS**

There are no Social Implications identified at this time.

## **OFFICER COMMENT**

The audit for the 2024/25 financial year has been completed and provides an overview of the financial activities for the 2024/25 year. There were no issues identified during the audit for management to address (no issues in 2024/25).

The Report to the Audit Committee is provided in connection with the audit of the Shire of Peppermint Grove's annual financial report for the year ended 30 June 2025 for the purpose of expressing an opinion as to whether the annual financial report is fairly presented in accordance with the Local Government Act 1995, the Local Government (Financial Management) Regulations 1996 and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

The following categories of representation have been made:

- General
- Fair value measurements and disclosures
- Contingent liabilities
- Commitments for capital expenditure
- Contaminated sites
- Related entities
- Related parties
- Key management personnel compensation
- Subsequent events
- Internal control
- Insurance
- Risk management
- Accounting misstatements
- Electronic presentation of the audited financial report and auditors report
- Other (unaudited) information in the annual report

The Draft Annual Report, covering operational aspects of the Shire for 2024/25 will be circulated to Councillors under separate cover with the view of being formatted for presentation at the Annual Electors Meeting.

The Shire is required to hold an Annual Electors Meeting; and it is recommended that this be held at 5.00pm on Tuesday 10<sup>th</sup> February 2026 in the Council Chambers. The meeting will be immediately prior to the agenda forum meeting scheduled for 5.30pm.

### **2024/25 Closing Surplus**

The estimated closing surplus as at 30 June 2025 was anticipated to be \$618,509, however following year-end adjustments, this was adjusted to \$528,946.

## **OFFICER RECOMMENDATION/COMMITTEE DECISION – ITEM 7.1**

**That Council**

- 1. Receives the draft audited 2024/25 Annual Financial Statements and the Report to the Audit Committee as prepared by Pitcher Partners,**
- 2. Holds the Annual Electors Meeting on Tuesday 10<sup>th</sup> February 2024 at 5.00pm in the Council Chambers.**

**Moved: Cr Hohnen**

**Seconded: Cr Dawkins**

**CARRIED**

**2/0**

**FOR: Presiding Member – Cr Patrick Dawkins, Cr Charles Hohnen.**

**AGAINST: NIL**

## 7.2 Matter for Information and Noting

Voting Requirement	Simple Majority
Subject Index	Financial management Audit
Disclosure of any Interest	Nil
Responsible Officer	Jeremy Clapham, Manager Corporate & Community Services

### **PURPOSE OF REPORT**

The Shire of Peppermint Grove regularly receives and produces information for receipt by the Elected Members. The purpose of this item is to keep Elected Members informed on items of information received by the Shire.

The Matters for Information and Noting Report includes the following matters:-

- Information regarding new regulations for Audit and Risk Committees.
- Small Rates balances written off under CEO Delegated Authority.

### **SUMMARY AND KEY ISSUES**

- There is new legislation requiring independent Chair and Deputy Chair of Audit and Risk Committees, together with a name change to Audit Risk and Improvement Committee.
- There were a number of small rates balances written off under CEO delegation in July 2025 amounting to a total of \$205.65.

### **CONSULTATION**

Consultation with WALGA undertaken in regard to the new regulations for Audit and Risk Committees.

### **STRATEGIC IMPLICATIONS**

Strategic Priority 5- Governance

*Item 5.1- Continue to monitor the financial sustainability of the Shire's resources*

### **POLICY IMPLICATIONS**

Financial Management Policies

## **STATUTORY IMPLICATIONS.**

Local Government (Financial Management) Regulations 1996.

## **FINANCIAL IMPLICATIONS**

Rates written off of \$204.84

## **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications at this time.

## **SOCIAL IMPLICATIONS**

There are no Social Implications identified at this time.

## **OFFICER COMMENT**

**New legislation requiring independent Chair and Deputy Chair of the Committee and name change.**

DLGIRS (Department of Local Government, Industry, Regulation and Safety) released the following statement on 29 October 2025:

*“One key area of reform relates to governance and oversight, particularly the introduction of new requirements to establish Audit, Risk and Improvement Committees (ARICs). The new regulations which support the implementation of requirements for ARICs are being finalised. The recently established Regulations Working Group, which includes representatives from the local government sector, has provided valuable feedback to ensure the regulations are practical and fit for purpose. This feedback is being considered as part of the finalisation process.*

*Once section 87 of the [Local Government Amendment Act 2024](#) commences, local governments will be required to establish an ARIC. The ARIC will be required to have an independent chair and an independent deputy of the chair to act in the chair’s absence. Local governments may wish to consider appointing independent members to their audit committees following the recent local government elections, in anticipation of the proposed changes. To support a smooth transition, LGIRS is developing guidance material and transitional arrangements.*

*Further guidance on this will be provided by LGIRS once the regulations are finalised”.*

WALGA have compiled a Presiding Members Pool for local governments to consider when appointing the independent Presiding Member. Council can appoint a Presiding member that is not on this list. WALGA advised that *“each pool member has completed a respondent form and is able to supply supporting information. The information provided in the applications has not been verified. Each Local Government is responsible for undertaking their own*



*assessment and due diligence. Pool members have been advised that Local Governments may seek further information from them as part of their selection process”.*

As the regulations have not yet been released and there are 6 months after they have been released to appoint a Presiding Member.

**Small Rates balances written off under CEO Delegated Authority.**

The Shire wrote off 102 small balances under \$10 for Rates outstanding totalling \$205.65 in July 2025, under CEO Delegation 2.4 – Authority to Write Off Rates and Service Charges. The CEO is required to Report to the Audit and Risk Committee six monthly on the exercise of this delegation.

**OFFICER RECOMMENDATION – ITEM 7.2**

**That the Committee receives the information in this report.**

**Moved: Cr Hohnen**

**Seconded: Cr Dawkins**

**CARRIED**

**2/0**

**FOR: Presiding Member – Cr Patrick Dawkins, Cr Charles Hohnen.**

**AGAINST: NIL**

**8. CLOSURE**

There being no further business, the meeting closed at 10:55 am.