UNCONFIRMED MINUTES

Audit, Risk and Improvement Committee Meeting

Tuesday, 8 September 2026

Date: Tuesday, 8 September 2026

Time: 3:30 PM

Location: Council Chambers, York Town Hall, York

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**MINUTES OF SHIRE OF YORK
AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING
HELD AT THE COUNCIL CHAMBERS, YORK TOWN HALL, YORK
ON TUESDAY, 8 SEPTEMBER 2026 AT 3:30 PM**

1 OPENING

1.1 Declaration of Opening

Presiding Member Shona Zulsdorf, Presiding Member, declared the meeting open at 3.30pm.

1.2 Acknowledgement / Disclaimer

The Presiding Member advised the following:

"The Shire of York Audit, Risk and Improvement Committee acknowledges the Ballardong people of the Noongar Nation who are the Traditional Owners of the country where this meeting is being held and recognise their continuing connection to land, water, sky and culture. We pay our respects to all these people and their Elders past, present and emerging.

In accordance with Regulations 14I and 14J of the Local Government (Administration) Regulations 1996, notice is given that this meeting is being video and audio recorded to facilitate community participation and for minute-taking purposes. By being present at a meeting, members of the public consent to the possibility that their image and voice may be recorded. Audio recordings are published on the Shire's website following the meeting and may be released upon request to third parties.

Members of the public are reminded that, in accordance with Section 6.16 of the Shire of York Local Government (Council Meetings) Local Law 2016, nobody shall use any visual or vocal recording device or instrument to record the proceedings of the Audit, Risk and Improvement Committee without the written permission of the Presiding Member.

I wish to draw attention to the Disclaimer Notice contained within the agenda document and advise members of the public that any decisions made at the meeting today can be revoked in accordance with Regulation 10 of the Local Government (Administration) Regulations 1996. Therefore, members of the public should not rely on any decisions until formal notification in writing from the Shire has been received.

Any plans or documents in agendas and minutes may be subject to copyright. The express permission of the copyright owner must be obtained before copying any copyright material."

1.3 Attendance via Electronic Means

Nil

1.4 Standing Orders

Nil

1.5 Announcement of Visitors

Nil

1.6 Declarations of Proximity Interest

Nil

1.7 Declaration of Financial Interests

Nil

1.8 Disclosure of Interests that May Affect Impartiality

Nil

2 ATTENDANCE

2.1 Members

Presiding Member Shona Zulsdorf; Deputy Presiding Member Sonia McKeiver; Cr Chris Gibbs; Cr Denese Smythe; Cr Kevin Trent.

2.2 Staff

Alina Behan, Chief Executive Officer; Anneke Birleson, Acting Executive Manager Corporate & Community Services; Thomas Bruins, Executive Manager Infrastructure & Development Services; Denise Gobbart, Manager Finance; Gail D'Arcy, Council Support Officer.

2.3 Apologies

Nil

2.4 Leave of Absence Previously Approved

Nil

2.5 Number of People in the Gallery at Commencement of Meeting

There were 0 people in the Gallery at the commencement of the meeting.

3 QUESTIONS FROM PREVIOUS MEETINGS

Nil

4 PUBLIC QUESTION TIME

Public Question Time is conducted in accordance with the Act and Regulations. In addition to this the Shire's *Local Government (Council Meetings) Local Law 2016* states:

6.7 Other procedures for question time for the public

(1) A member of the public who wishes to ask a question during question time must identify themselves and register with a Council Officer immediately prior to the meeting.

(2) A question may be taken on notice by the Council for later response.

(3) When a question is taken on notice the CEO is to ensure that:

(a) a response is given to the member of the public in writing; and
(b) a summary of the response is included in the agenda of the next meeting of the Council.

(4) Where a question relating to a matter in which a relevant person has an interest is directed to the relevant person, the relevant person is to:

(a) declare that he or she has an interest in the matter; and
(b) allow another person to respond to the question.

(5) Each member of the public with a question is entitled to ask up to 2 questions before other members of the public will be invited to ask their questions.

(6) Where a member of the public provides written questions then the Presiding Member may elect for the questions to be responded to as normal business correspondence.

(7) The Presiding Member may decide that a public question shall not be responded to where:

(a) the same or similar question was asked at a previous meeting, a response was provided and the member of the public is directed to the minutes of the meeting at which the response was provided;
(b) the member of the public uses public question time to make a statement, provided that the Presiding Member has taken all reasonable steps to assist the member of the public to phrase the statement as a question; or
(c) the member of the public asks a question that is offensive or defamatory in nature, provided that the Presiding Member has taken all reasonable steps to assist the member of the public to phrase the question in a manner that is not offensive or defamatory.

(8) A member of the public shall have 2 minutes to submit a question.

(9) The Council, by resolution, may agree to extend public question time.

(10) Where any questions remain unasked at the end of public question time they may be submitted to the CEO who will reply in writing and include the questions and answers in the agenda for the next ordinary Council meeting.

(11) Where an answer to a question is given at a meeting, a summary of the question and the answer is to be included in the minutes.

Public Question Time commenced at 3.34pm.

4.1 Written Questions – Current Agenda

Nil

4.2 Public Question Time

Nil

As there were no questions asked/There being no further questions, Public Question Time concluded at 3.34pm.

5 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

6 PRESENTATIONS

Nil

7 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

COMMITTEE RECOMMENDATION

Moved: Cr Kevin Trent **Seconded: Cr Chris Gibbs**

That the minutes of the Audit, Risk and Improvement Committee Meeting held on 9 June 2026 be confirmed as a correct record of proceedings.

CARRIED: 5/0

8 ANNOUNCEMENTS BY PRESIDING MEMBER WITHOUT DISCUSSION

NIL

OFFICER'S REPORTS

9.1 COMPLIANCE AUDIT RETURN 2025

File Number:	**4.0474**
Author:	**Caitlin Tonkin, Executive Support Officer**
Authoriser:	**Alina Behan, Chief Executive Officer**
Previously before Council:	**Not Applicable**
Disclosure of Interest:	**Nil**
Appendices:	**1. 2025 Compliance Audit Return ⇩**

NATURE OF COUNCIL’S ROLE IN THE MATTER

Legislative

PURPOSE OF REPORT

This report presents the Compliance Audit Return (CAR) 2025 for the Audit and Risk Committee’s (the Committee) consideration and recommendation to Council.

BACKGROUND

Western Australian local governments are required to complete a CAR annually and submit it to the Local Government Inspectorate (the Inspectorate) in accordance with the requirements of the *Local Government (Audit) Regulations 1996*, in relation to activities undertaken by the local authority in the preceding calendar year.

The CAR is a checklist of a local government’s compliance with legislation. The 2025 CAR content focuses on areas considered high risk. It examines whether the Council has complied with each action listed on the return under the following legislation:

1. *Local Government Act 1995* (forty-two (42) audit questions)
2. *Local Government (Administration) Regulations 1996* (fifteen (15) audit questions)
3. *Local Government (Audit) Regulations 1996* (two (2) audit questions)
4. *Local Government (Constitution) Regulations 1998* (two (2) audit questions)

5. *Local Government (Elections) Regulations 1997* (one (1) audit questions)
6. *Local Government (Financial Management) Regulations 1996* (eleven (11) audit questions)
7. *Local Government (Functions and General) Regulations 1996* (twenty-four (24) audit questions)

The audit questions are specific in nature and require a yes/no/NA response. Officers have provided further comment where appropriate.

The CAR covers the period 1 January 2025 to 31 December 2025 and is presented in Appendix 1.

COMMENTS AND DETAILS

The completed 2025 CAR is required to be:

1. Presented for review by the Committee before being presented for consideration and adoption by Council.
2. Returned to the Inspectorate with a copy of the relevant Committee and Council Minutes by 30 September 2026.

The CAR has been undertaken as an internal audit, sourcing evidence of compliance through the Shire's record keeping systems and where required, through additional information held within respective sections of the organisation.

A summary of legislation reviewed as part of the 2025 CAR is provided below:

Audit Focus	Comment
Local Government Act 1995	3 areas of non-compliance - Local Law reviews outstanding, Delegation records not maintained and various registers not maintained.
Local Government (Administration) Regulations 1996	3 areas of non-compliance - registers for Returns, Elected Member fees and Elected Member training not maintained and published.
Local Government (Audit) Regulations 1996	No areas of non-compliance.
Local Government (Constitution) Regulations 1998	No areas of non-compliance.
Local Government (Elections) Regulations 1997	2 areas of non-compliance – Electoral Gift Register not established and published.
Local Government (Financial Management) Regulations 1996	1 area of non-compliance – control procedures not documented.
Local Government (Functions and General) Regulations 1996	2 areas of non-compliance - purchasing policy non-compliance, tender register not maintained or published.

OPTIONS

The Committee has the following options:

Option 1: The Committee could choose not to recommend acceptance of the CAR and request changes be made to the document prior to submission. Noting that the CAR is required to be presented to the Committee and Council prior to submission to the Inspectorate by 30 September 2026.

Option 2: The Committee could choose to recommend Council accept the CAR and direct the Chief Executive Officer to submit it to the Inspectorate by 30 September 2026.

Option 2 is the recommended option.

IMPLICATIONS TO CONSIDER

Consultative

Executive Leadership Team

Other Officers as required

Strategic

Council plan 2025-2035

Pillar 5: Strong governance, responsive leadership

Community-informed, responsive leadership and strong governance.

Policy Related

G18 Integrated Planning & Reporting: (Reporting)

G19 Risk Assessment and Management

O6 Internal Controls

Financial

Nil

Legal and Statutory

Regulations 14, 15 and 20 of the *Local Government (Audit) Regulations 1996* are applicable and state:

"14. Compliance audits by local governments

*(1) A local government must carry out an audit (a **compliance audit**) of the local government's compliance with the statutory requirements prescribed by regulation 13 for the period 1 January to 31 December in each year.*

(1A) Subregulation (1) is subject to regulation 15A.

(2) After a local government has carried out a compliance audit, the CEO must –

(a) prepare a compliance audit return in a form approved by the Inspector; and

(b) give a copy of the compliance audit return to the local government's audit, risk and improvement committee.

(3) The audit, risk and improvement committee must –

(a) review the compliance audit return; and

(b) report to the council the results of that review.

(4) When reporting to the council, the audit, risk and improvement committee must make any recommendations that the committee considers appropriate in relation to the compliance audit return.

(5) The council must consider the compliance audit return and the results of the audit, risk and improvement committee's review (including any recommendations) at a meeting of the council.

(6) The council must –

(a) determine if any matters raised by the audit, risk and improvement committee require action to be taken by the local government; and

(b) either –

(i) Adopt the compliance audit return; or

(ii) Adopt the compliance audit return subject to amendments proposed by the council.

15. Signed compliance audit return and other information must be given to Inspector

(1) After a compliance audit return has been adopted by the council under regulation 14(6)(b), the local government must give the following information to the Inspector —

(a) a copy of the compliance audit return (or amended compliance audit return, if applicable), signed by the mayor or president and by the CEO:

(b) any recommendations made under regulation (14) after the audit, risk and improvement committee has reviewed the compliance audit return;

(c) a copy of the relevant section of the minutes of the meeting at which the compliance audit return was adopted by the council;

(d) any additional information explaining or qualifying the compliance audit.

20. Transitional provisions relating to compliance audits

(1) Regulations 13 to 15, as amended or inserted by the Local Government Regulations Amendment Relations (No. 4) 2025 regulations 13 and 14, apply in relation to the period beginning on 1 January 2025 and ending on 31 December 2025 and to subsequent periods beginning on 1 January and ending on 30 December.

(2) Despite regulation 15(2), as inserted by the Local Government Regulations Amendment Relations (No. 4) 2025 regulation 14, the information relating to the compliance audit for the period beginning on 1 January 2025 and ending on 30 December 2025 must be given to the Inspector no later than 30 September 2026.

(3) The Inspector may extend the 30 September 2026 deadline."

Risk Related

The requirement to lodge an adopted CAR with the Inspectorate is a legislative requirement. Failure to do so exposes Council to non-compliance. This report and its appendix mitigate this risk.

Workforce

The CAR has been completed in-house within existing resources.

Voting Requirements

Absolute Majority: No

COMMITTEE RECOMMENDATION

Moved: Deputy Presiding Member Sonia McKeiver Seconded: Cr Chris Gibbs

That, with regard to the Compliance Audit Return 2025, the Audit and Risk Committee recommends that Council:

1. **Resolves to adopt the completed 2025 Compliance Audit Return, as presented in Appendix 1, for signing by the Shire President and the Chief Executive Officer in accordance with Regulation 15 of the Local Government (Audit) Regulations 1996.**
2. **Requests the Chief Executive Officer to submit the signed 2025 Compliance Audit Return to the Inspector, Local Government Inspectorate, prior to 30 September 2025 in accordance with Regulation 20(2) of the Local Government (Audit) Regulations 1996.**
3. **Authorises the Chief Executive Officer to make any necessary minor typographical and formatting changes to the certified 2025 Compliance Audit Return prior to submission.**

COMMITTEE RECOMMENDATION

Moved: Presiding Member Shona Zulsdorf Seconded: Cr Chris Gibbs

That, with regard to the Compliance Audit Return 2025, the Audit and Risk Committee recommends that Council:

4. **Directs the Chief Executive Officer to report on remedial actions against the non-compliant actions at the December 2026 Audit Risk and Improvement Committee**

<u>In Favour:</u> **Crs Shona Zulsdorf, Sonia McKeiver, Cr Chris Gibbs, Cr Denese Smythe and Cr Kevin Trent**

<u>Against:</u> **Nil**

CARRIED 5/0

COMMITTEE RECOMMENDATION

Moved: Deputy Presiding Member Sonia McKeiver Seconded: Cr Chris Gibbs

That, with regard to the Compliance Audit Return 2025, the Audit and Risk Committee recommends that Council:

1. **Resolves to adopt the completed 2025 Compliance Audit Return, as presented in Appendix 1, for signing by the Shire President and the Chief Executive Officer in accordance with Regulation 15 of the Local Government (Audit) Regulations 1996.**
2. **Requests the Chief Executive Officer to submit the signed 2025 Compliance Audit Return to the Inspector, Local Government Inspectorate, prior to 30 September 2025 in accordance with Regulation 20(2) of the Local Government (Audit) Regulations 1996.**
3. **Authorises the Chief Executive Officer to make any necessary minor typographical and formatting changes to the certified 2025 Compliance Audit Return prior to submission.**
4. **Directs the Chief Executive Officer to report on remedial actions against the non-**

compliant actions at the December 2026 Audit Risk and Improvement Committee

In Favour: **Crs Shona Zulsdorf, Sonia McKeiver, Cr Chris Gibbs, Cr Denese Smythe and Cr Kevin Trent**

Against: **Nil**

CARRIED 5/0

Questions were raised during the meeting; for full details, please refer to the audio recording available on the Shire's website.

Local Government Inspector

GOVERNMENT OF WESTERN AUSTRALIA

2025 Compliance Audit Return

Local Government Authority: The Shire of York

Local Government Act 1995

s. 2.29

Has every person elected or appointed to a mayor, president, deputy, or councillor role made the required declaration in the prescribed form before a prescribed person, prior to acting in the office?

Response: Yes

s. 3.16

Has the local government reviewed local laws, which have not been reviewed in the previous 8 years, to ensure compliance with Schedule 9.3, Clause 65?

Response: No

Comments: 15 Local Laws identified for review. Public Notice published as advice of the impending review.

s.3.57

Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?

Response: Yes

s. 3.58(3)

Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)?

Response: Yes

Comments: Report SY103-08/25 (DRAFT LEASE - LOTS S90 AND PART LOTS S91, S97 AND S98 ON DEPOSITED PLAN 223250 - WHEATBELT REGIONAL CARRIAGE DRIVING CLUB INC)

https://www.york.wa.gov.au/council-meetings/ordinary-meeting-of-council/ordinary-meeting-of-council-26-august-2025/412/documents/confirmed-minutes-and-appendices-26-august-2025-ordinary-council-meeting.pdf

s. 3.58(4)

Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4) of the Act, in the required local public notice for each disposal of property?

Response: Yes

Comments: From Report SY103-08/25 (DRAFT LEASE - LOTS S90 AND PART LOTS S91, S97 AND S98 ON DEPOSITED PLAN 223250 - WHEATBELT REGIONAL CARRIAGE DRIVING CLUB INC)

https://www.york.wa.gov.au/news/public-notice-proposed-lease-agreements/10912

s. 3.59(2)(a)

Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2025?

Response: N/A

Comments: There were no major trading undertakings in 2025.

s. 3.59(2)(b)

Has the local government prepared a business plan for each major land transaction that was not exempt in 2025?

Response: N/A

Comments: There were no major land transactions in 2025.

s. 3.59(2)(c)

Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2025?

Response: N/A

Comments: There were no major land transactions in 2025.

s. 3.59(4)

Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2024?

Response: N/A

Comments: There were no major land transactions or trading undertakings in 2025.

s. 3.59(5)

During 2025, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?

Response: N/A

Comments: There were no major land transactions or trading undertakings in 2025.

s. 5.16 (1)

Were all delegations to committees resolved by absolute majority?

Response: N/A

Comments: No delegations to Committees.

s. 5.16 (2)

Were all delegations to committees in writing?

Response: N/A

Comments: No delegations to Committees.

s. 5.17

Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995?

Response: N/A

Comments: No delegations to Committees.

s. 5.18

Were all delegations to committees recorded in a register of delegations?

Response: N/A

Comments: No delegations to Committees.

s. 5.36(4) and s. 5.37(3)

Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?

Response: Yes

s. 5.37(2)

Did the CEO inform council of each proposal to employ or dismiss senior employee?

Response: Yes

Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?

Response: N/A

s. 5.39B

Has the local government adopted and maintained model standards that incorporate the prescribed model standards within required timeframes (including amendments), ensured adoption by absolute majority, published an up-to-date version on its official website, and avoided including any inconsistent additional provisions?

Response: Yes

Comments: Adopted at 27/04/21 OCM

Resolution # 060421

https://www.york.wa.gov.au/Profiles/york/Assets/ClientData/G26_-_Model_Standards_for_CEO_Recruitment_-_Performance___Termination.pdf

s. 5.42

Were all delegations to the CEO resolved by an absolute majority?

Response: Yes

Comments: Adopted at 24/06/25 OCM

Resolution # 160625

https://www.york.wa.gov.au/council-meetings/ordinary-meeting-of-council/ordinary-meeting-of-council-24-june-2025/410/documents/confirmed-minutes-and-appendices-24-june-2025-ordinary-council-meeting.pdf

Were all delegations to the CEO in writing?

Response: Yes

s. 5.43

Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995?

Response: Yes

s. 5.44(2)

Were all employees delegated authority by the CEO under Section 5.44(1), issued with a written instrument of delegation?

Response: Yes

s. 5.45(1)(b)

Were all decisions by the Council to amend or revoke a delegation made by absolute majority?

Response: Yes

Comments: Adopted at 24/06/25 OCM

Resolution # 160625

https://www.york.wa.gov.au/council-meetings/ordinary-meeting-of-council/ordinary-meeting-of-council-24-june-2025/410/documents/confirmed-minutes-and-appendices-24-june-2025-ordinary-council-meeting.pdf

s. 5.46

Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?

Response: Yes

Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2024/2025 financial year?

Response: Yes

Comments: Adopted at 24/06/25 OCM

Resolution # 160625

https://www.york.wa.gov.au/Profiles/york/Assets/ClientData/Shire-of-York-Register-of-Delegated-Authority.pdf

Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19?

Response: No

Comments: Identified missing exercising a delegated power or duty written records. Training and expectation setting to be undertaken. Task has been allocated for action.

s. 5.50

If the local government paid a finishing employee an amount in addition to their entitlement, did the local government follow a policy it had adopted and published on its website outlining the circumstances in relation to payments made to terminated employees?

Response: N/A

If the local government made a payment to a finishing employee that is more than the amount set out in the policy, was local public notice given?

Response: N/A

s. 5.51A

Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government?

Response: Yes

Has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?

Response: Yes

Comments: https://www.york.wa.gov.au/Profiles/york/Assets/ClientData/O8_-_Employee_Code_of_Conduct.pdf

s. 5.67

Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?

Response: Yes

s. 5.68(2)

Were all decisions regarding participation approval in relation to Section 5.68(2), including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting?

Response: Yes

s. 5.69(5)

Were all decisions regarding participation approval in relation to Section 5.69(5), including the extent of participation allowed recorded in the minutes of the relevant council or committee meeting?

Response: Yes

Comments: Report SY043-04/25 (DRAFT LAND LEASE - YORK & DISTRICT CO-OPERATIVE LTD)

https://www.york.wa.gov.au/council-meetings/ordinary-meeting-of-council/ordinary-meeting-of-council-22-april-2025/408/documents/confirmed-minutes-and-appendices-ordinary-council-meeting-22-april-2025.pdf

s. 5.70

Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?

Response: Yes

s. 5.71B(5) and (7)

Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?

Response: Yes

Was any decision made by the Minister under section 5.71B(6) of the Local Government Act 1995, recorded in the minutes of the council meeting at which the decision was considered?

Response: Yes

Comments: Report SY043-04/25 (DRAFT LAND LEASE - YORK & DISTRICT CO-OPERATIVE LTD)

https://www.york.wa.gov.au/council-meetings/ordinary-meeting-of-council/ordinary-meeting-of-council-22-april-2025/408/documents/confirmed-minutes-and-appendices-ordinary-council-meeting-22-april-2025.pdf

s. 5.73

Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made?

Response: Yes

s. 5.75

Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?

Response: Yes

s. 5.76

Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2025?

Response: Yes

Comments: https://www.york.wa.gov.au/Profiles/york/Assets/ClientData/Register_-_Primary___Annual_Returns_2024-25.pdf

s. 5.77

On receipt of a primary or annual return, did the CEO, or the Mayor/President, as the case may be, give written acknowledgment of having received the return?

Response: Yes

Comments: https://www.york.wa.gov.au/Profiles/york/Assets/ClientData/Register_-_Primary___Annual_Returns_2024-25.pdf

s. 5.88

Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995?

Response: Yes

Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28?

Response: Yes

After a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person?

Response: No

Comments: Register did not have previous persons removed. Task has been allocated for action.

Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?

Response: Yes

s. 5.89A

Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A?

Response: Yes

Did the CEO publish an up-to-date version of the gift register on the local government's website?

Response: Yes

Comments: https://www.york.wa.gov.au/registers/gifts

s. 5.90A

Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?

Response: Yes

Comments: Policy E2 adopted at 25/02/25 OCM

Resolution # 200225

https://www.york.wa.gov.au/Profiles/york/Assets/ClientData/E9_-_Attendance_at_Events_Policy_Elected_Members___CEOs_-_FINAL.pdf

s. 5.94

Does the local government have information available for members of the public to inspect, free of charge as prescribed under section 5.94 and Admin Reg 29, except where restricted under this section?

Response: Yes

s. 5.96

Where a person is entitled to inspect information under this Division, can the local government confirm that copies are available and that the price at which it sells copies does not exceed the cost of providing them, (unless prescribed otherwise)?

Response: Yes

Comments: Calculations considered in the annual Fees & Charges review.

s. 5.96A

Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?

Response: Yes

Comments: https://www.york.wa.gov.au/

s. 5.104

Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates that incorporates the model code of conduct?

Response: Yes

Comments: Adopted at 23/08/22 OCM

Resolution # 150822

https://www.york.wa.gov.au/council-meetings/ordinary-meeting-of-council/ordinary-meeting-of-council-22-march-2022/348/documents/confirmed-minutes-and-appendices-22-march-2022-ocm.pdf

Did the local government adopt additional requirements in addition to the model code of conduct?

Response: No

Comments: No additional requirements necessary.

Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website?

Response: Yes

Comments: https://www.york.wa.gov.au/Profiles/york/Assets/ClientData/E1_-_Code_of_Conduct_-_Council_Members__Committee_Members_and_Candidates_-_Final2.pdf

s. 5.128

Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?

Response: Yes

Comments: Policy E2 adopted at 25/11/25 OCM

Resolution # 131125

https://www.york.wa.gov.au/Profiles/york/Assets/ClientData/E2_-_Councillors_-_Training___Continuing_Professional_Development.pdf

s. 7.12A(3), (4) and (5)

Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?

Response: Yes

Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters?

Response: Yes

Comments: https://www.york.wa.gov.au/council-meetings/audit-risk-and-improvement-committee-meeting/audit-risk-and-improvement-committee-meeting-2-december-2025/420/documents/unconfirmed-minutes-audit-risk-and-improvement-committee-2-december-2025.pdf

Was a copy of the report given to the Minister within three months of the audit report being received by the local government?

Response: Yes

Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website?

Response: Yes

Comments: https://www.york.wa.gov.au/documents/1421/annual-report-202425

Local Government (Administration) Regulations 1996

r. 18F

Were the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995?

Response: Yes

r. 19AB

Does the code of conduct contain the requirement that a local government employee (not including the CEO) must not accept a prohibited gift from an associated person?

Response: Yes

Comments: Addressed in section 6 - Personal Benefit

https://www.york.wa.gov.au/Profiles/york/Assets/ClientData/O8_-_Employee_Code_of_Conduct.pdf

r. 19AC

Does the local government's code of conduct include requirements for the recording, storing, disclosure, and use of information relating to gifts accepted by local government employees (excluding the CEO) from associated persons, in accordance with regulatory requirements?

Response: Yes

Comments: Addressed in section 6 - Personal Benefit

https://www.york.wa.gov.au/Profiles/york/Assets/ClientData/O8_-_Employee_Code_of_Conduct.pdf

r. 19AE

Does the local government's code of conduct include requirements addressing employee behaviour in the performance of duties, interactions with others, use and disclosure of information, use of local government resources and finances, the keeping of records, and the reporting and management of suspected breaches and misconduct, in accordance with regulatory requirements?

Response: Yes

Comments: https://www.york.wa.gov.au/Profiles/york/Assets/ClientData/O8_-_Employee_Code_of_Conduct.pdf

r. 19B

Did the local government include in its annual report all information required under section 5.53(2)(g) and (i) and regulation 3A(2), including number of employee's in salary bands over $130,000, remuneration and allowances paid, ordered payments, CEO remuneration, council member meeting attendance, available demographic information about council members, and details of any modifications to the strategic community plan or significant modifications to the corporate business plan?

Response: Yes

Comments: https://www.york.wa.gov.au/documents/1421/annual-report-202425

r. 19C

Has the local government adopted by absolute majority a strategic community plan?

Response: Yes

Comments:
https://www.york.wa.gov.au/Profiles/york/Assets/ClientData/FINAL_Council_Plan_April_2025.pdf

Adoption date or the date of the most recent review: 22/04/2025

r. 19DA

Has the local government reviewed its corporate business plan in accordance with Admin Regulation 19DA(4)?

Response: Yes

Comments:
https://www.york.wa.gov.au/Profiles/york/Assets/ClientData/FINAL_Council_Plan_April_2025.pdf

Date of review: 22/04/2025

Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?

Response: Yes

r. 22

No response required. This is covered by s5.75.

r. 23

No response required. This is covered by s5.76.

r. 28

No response required. This is covered by s5.88(1).

r. 28A

No response required. This is covered by s5.89A(1).

r. 29

No response required. This is covered by s5.94.

r. 29C

Does the local government publish all prescribed information on its official website— including up-to-date policies, required details of council member and employee returns, council member fees and allowances, and relevant public notices—within the specified timeframes and in accordance with legislative requirements?

Response: No

Comments: Registers for Returns and Elected Member fees not published for 2025.

Task has been allocated for action.

r. 35

Has every local government council member completed and passed the Council Member Essentials course, consisting of the five required modules and delivered by an approved provider, within 12 months of being elected?

Response: Yes

r. 36

Does the local government appropriately identify and document council members who are exempt from the training requirements under section 5.126(1), including verifying that the member:

- has completed an approved course within the specified 5-year period prior to election, or
- completed the LGASS00002 Elected Member Skill Set before 1 July 2019 within the relevant timeframe, or
- qualifies for the transitional exemption applicable to council members in office at the commencement of the 2019 regulatory amendments?

Response: No

Comments: Elected Member Training Register not published for 2025.

Task has been allocated for action.

Local Government (Audit) Regulations 1996

r. 10

Was the auditor's report for the financial year ending 30 June 2025 received by the local government within 30 days of completion of the audit?

Response: Yes

r. 17

Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2025?

Response: Yes

Comments: Regulation 17 report received by Council at 19/12/23 OCM

Resolution # 121223

https://www.york.wa.gov.au/council-meetings/ordinary-meeting-of-council/ordinary-meeting-of-council-19-december-2023/376/documents/confirmed-minutes-and-appendices-ordinary-council-meeting-19-december-2023.pdf

Date of council's resolution to accept the report: 01/01/2025

Local Government (Constitution) Regulations 1998

r. 11FA

Did the CEO provide the Minister a report as to the result of the election within 14 days of the declaration and in the form of Form 20 of the Local Government (Elections) Regulations 1997, modified as necessary?

Response: Yes

r. 13

Were all required oaths, affirmations and declarations under section 2.42 (in relation to Commissioners) made in the correct form (Form 8), before the appropriate authorised person?

Response: Yes

Local Government (Elections) Regulations 1997

r. 30G

Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997?

Response: No

Comments: Electoral Gift Register not established for 2025, however no gifts were received.

Task has been allocated for action.

Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997?

Response: N/A

Comments: No disclosure of gifts forms relating to an unsuccessful candidate were received.

Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997?

Response: No

Comments: Electoral Gift Register not published for 2025, however no gifts were received.

Task has been allocated for action.

Local Government (Financial Management) Regulations 1996

r. 5

Has the CEO ensured efficient systems and procedures are established under provisions set out in Financial Management Regulations 5(1)(a) to (g)?

Response: Yes

r. 6

Has the local government ensured that any employee delegated responsibility for day-to-day accounting or financial management operations is not also delegated the responsibility for conducting internal audits, reviewing their own duties, or for managing, directing or supervising someone who carries out these functions?

Response: Yes

Comments: No internal audit.

r. 7

Did the local government ensure it has regard to the needs of the inhabitants of the district as a whole and not keep separate ward accounts or determine expenditure on the basis of revenue from a ward?

Response: Yes

Comments: No wards.

r. 8

Does the local government maintain separate accounts with a bank or other financial institution for money to be held in the municipal fund, trust fund and for reserve account purposes?

Response: Yes

Comments: Example: SY055-05/25 FINANCIAL REPORT - APRIL 2025 and SY056-05/25 INVESTMENTS - APRIL 2025 (from page 198)

https://www.york.wa.gov.au/council-meetings/ordinary-meeting-of-council/ordinary-meeting-of-council-27-may-2025/409/documents/confirmed-minutes-and-appendices-ordinary-council-meeting-27-may-2025.pdf

r. 9

Did the local government keep separate financial records for each trading undertaking and each major land transaction?

Response: N/A

Comments: There were no major trading undertakings or major land transactions in 2025.

r. 11

Has the local government developed procedures for the authorisation of, and the payment of, accounts in accordance with Local Government (Financial Management) Regulations 11(1), (2) and (3)?

Response: Yes

r. 12

Were payments made from the municipal fund or trust fund made by the CEO under a delegated authority or authorised, in accordance with regulation 13(2), in advance by a council resolution?

Response: Yes

r. 13

Can the local government confirm that, where the CEO has been delegated authority to make payments from the municipal or trust fund, the CEO prepared accurate monthly lists that are presented at the next ordinary council meeting and recorded in the minutes?

- includes the payee's name, payment amount, payment date, and sufficient information to identify each transaction where payments have already been made; or
- includes the payee's name, payment amount, sufficient information to identify each transaction, and the date of the council meeting (to which the list will be presented) for accounts requiring council approval.

Response: Yes

Comments: Example: SY105-08/25 FINANCIAL REPORT - JUNE 2025 (from page 82)

https://www.york.wa.gov.au/council-meetings/ordinary-meeting-of-council/ordinary-meeting-of-council-26-august-2025/412/documents/confirmed-minutes-and-appendices-26-august-2025-ordinary-council-meeting.pdf

r. 13A

Did the local government prepare a list each month of all payments made using employee-authorised credit, debit or other purchasing cards, and include the payee’s name, the amount of the payment, the date of the payment, sufficient information to identify the payment, and present the list at the next ordinary council meeting (and record in the minutes)?

Response: Yes

Comments: Example: SY153-12/25 FINANCIAL REPORT - NOVEMBER 2025 (from page 258)

https://www.york.wa.gov.au/council-meetings/ordinary-meeting-of-council/ordinary-meeting-of-council-16-december-2025/416/documents/unconfirmed-minutes-and-appendices-ordinary-council-meeting-16-december-2025.pdf

r. 19

Has the local government established and documented internal control procedures to enable identification of the nature and location of all investments and any related transactions?

Response: No

Comments: Controls are established, however not yet documented in a procedure.

Task has been allocated for action.

r. 19C

Has the local government ensured that all investments made under section 6.14(1) comply with statutory restrictions set out in Financial Management Reg. 19C?

Response: Yes

Comments: Example: SY120-09/25 INVESTMENTS - AUGUST 2025 (from page 332)

https://www.york.wa.gov.au/council-meetings/ordinary-meeting-of-council/ordinary-meeting-of-council-30-september-2025/413/documents/confirmed-minutes-and-appendices-30-september-2025-ordinary-council-meeting.pdf

Local Government (Functions and General) Regulations 1996

r. 7

No response required. This is covered by s3.59(2).

r. 9

No response required. This is covered by s3.59(2).

r. 10

No response required. This is covered by s3.59(2).

r. 11A

Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, $250,000 or less or worth $250,000 or less?

Response: No

Comments: It was noted in the Year Ending 30 June 2024 Financial Audit that point 11.1 of the Procurement Policy is not always able to be adhered to. the Management Comment for section 5. Untimely approval of purchase orders notes: "At its June 2024 meeting the Audit and Risk Committee (ARC) considered this issue and recommended to Council that appropriate controls were in place and that the treatment for non-compliance would be education and training followed by a HR process where applicable. At its June 2024 Ordinary Council Meeting Council agreed with the recommendation of the ARC and voted to accept the residual risk."

https://www.york.wa.gov.au/Profiles/york/Assets/ClientData/F2_-_Procurement.pdf

https://www.york.wa.gov.au/council-meetings/audit-risk-and-improvement-committee-meeting/audit-risk-and-improvement-committee-meeting-2-december-2025/420/documents/unconfirmed-minutes-audit-risk-and-improvement-committee-2-december-2025.pdf

r. 11

No response required. This is covered by s3.57.

r. 12

Did the local government consider the implications of Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?

Response: Yes

r. 14(1), (3) and (5)

If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents, or each acceptable tenderer notice of the variation?

Response: N/A

r. 15

Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?

Response: Yes

r. 16

No response required. This is covered by r. 15.

r. 17

Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?

Response: No

Comments: 2025 Tender register not established or published. One (1) tender undertaken. Task allocated for action.

r. 18(1) and (4)

Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?

Response: Yes

Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?

Response: Yes

r. 19

Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?

Response: Yes

r. 21

Does the local government's advertising and expression of interest processes for limiting who can tender comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?

Response: N/A

Comments: No tender expressions of interest undertaken in 2025.

r. 22

No response required. This is covered by r. 21.

r. 23

Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?

Response: N/A

Comments: No tender expressions of interest undertaken in 2025.

Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?

Response: N/A

Comments: No tender expressions of interest undertaken in 2025.

r. 24

Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24?

Response: N/A

Comments: No tender expressions of interest undertaken in 2025.

r. 24AD(2), (4) and (6)

Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions & General) Regulations 1996 regulations 24AD(4) and 24AE?

Response: N/A

If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?

Response: N/A

r. 24AE

No response required. This is covered by r. 24AD(2), (4) and (6).

r. 24AF

No response required. This is covered by r. 24AD(2), (4) and (6).

r. 24AG

Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG?

Response: N/A

r. 24AH(1) and (3)

Did the local government reject any applications to join a panel of prequalified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?

Response: N/A

Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?

Response: N/A

r. 24AI

Did the CEO send each applicant written notice advising them of the outcome of their application?

Response: N/A

r. 24E

Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?

Response: N/A

r. 24F

No response required. This is covered by r. 24E.

I certify this is a true and accurate copy of the 2025 Compliance Audit Return, as adopted by Council at the meeting of ______________________________ 2026.

CEO

Date

Mayor or President

Date

9.2 UPDATE ON THE FINDINGS IDENTIFIED DURING ANNUAL FINANCIAL AUDITS

File Number:	**4.9726**
Author:	**Denise Gobbart, Manager Finance**
Authoriser:	**Anneke Birleson, Acting Chief Executive Officer**
Previously before Council:	**24 March 2026 (100326)** **23 June 2026 (150626)**
Disclosure of Interest:	**Nil**
Appendices:	**1. Audit Findings Snapshot ⇩** **2. Management Letter - 2025/26 Interim Audit ⇩**

NATURE OF COUNCIL'S ROLE IN THE MATTER

Executive

PURPOSE OF REPORT

This report presents an update on the Findings identified in the Annual Audits to the Audit, Risk and Improvement Committee (ARIC) for consideration and, if satisfactory, recommendation to Council for noting and, where appropriate, acceptance.

BACKGROUND

Officers report through the ARIC to Council on the Findings from Annual Audits, with Council last considering the ARIC's recommendations at its June 2026 Ordinary Meeting where it resolved (150626):

"That, with regard to the Minutes and Recommendations of the Audit, Risk and Improvement Committee Meeting held on 9 June 2026, Council:

1. ***Receives the Unconfirmed Minutes of the Audit, Risk and Improvement Committee Meeting held on 9 2026, as presented in Appendix 1, and by adopting the following recommendations of the Audit, Risk and Improvement Committee, Council:***
    a. ***Resolves to adopt the Business Continuity Plan, as presented in Appendix 1.***
    b. ***Notes the Business Continuity Management Procedures, as presented in Appendix 2, that support the Business Continuity Plan***
    c. ***Authorises the Chief Executive Officer to make any necessary minor typographical and formatting changes prior to publication.***
    d. ***Resolves to adopt the Draft Integrity Framework, as presented in Appendix 1.***
    e. ***Authorises the Chief Executive Officer to make any necessary minor typographical and formatting changes prior to publication.***
    f. ***Resolves to adopt the IT Disaster Recovery Plan, as presented in Appendix 1.***
    g. ***Authorises the Chief Executive Officer to make any necessary minor typographical and formatting changes prior to publication.***
    h. ***Adopts the reviewed Policy F4 – Investment, as presented in Appendix 1.***
    i. ***Authorises the Chief Executive Officer to make any minor typographical and formatting changes to Policy F4 – Investment prior to publication.***

j. ***Notes the progress made to date in relation to the Strategic Risk register.***

k. ***Requests the Temporary Chief Executive Officer to present a Risk Management Update, including specific reporting on the Strategic Risk Register, to the Audit, Risk and Improvement Committee at its September 2026 meeting.***

l. ***Accepts the action taken and residual risk for the following one (1) Finding:***

i. ***Untimely preparation and review of bank reconciliations***

m. ***Requests the Temporary Chief Executive Officer to report back on progress against the remaining four (3) Findings:***

i. ***Non-compliance with depreciation policy***

ii. ***Monitoring of grants income and expenses***

iii. ***Plant recovery cost base rate and indirect/overhead cost allocation rate to the Audit, Risk and Improvement Committee at its September 2026 meeting."***

In accordance with point m. of the above Resolution, Officers have undertaken a risk assessment of each Finding, identified controls put into place and determined whether further treatment of the risk is required or if Officers are recommending the action taken and residual risk is acceptable.

Officers now present the actions undertaken against Audit Findings that were identified as requiring further treatment and request that ARIC and Council accept the residual risk.

COMMENTS AND DETAILS

Audit Findings are rated by the Auditors as Significant, Moderate or Minor (defined below).

Significant	Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit opinion, it should be addressed 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.

Officers have applied the Risk Management Procedures, as outlined in the Shire's Risk Management Framework, to assess the risks to the organisation for each of the Findings:

1. Each Finding has been risk assessed based on the existing controls being in place and given an overall Risk Rating.
2. Based on the additional controls put in place, as recommended by the Auditors or identified by Shire Officers, the effectiveness of these controls has been identified and a Residual Risk Rating provided.
3. Based on the Residual Risk Rating an assessment of the acceptance level of the residual risk has been made. Where the residual risk is considered unacceptable, further treatment is recommended.

The Audit Findings and risk assessment have been uploaded into the Shire's strategic planning and reporting software, Cascade. This allows individual actions to be allocated to Officers and progress tracked and reported on.

The Audit Plan is presented in Appendix 1. For clarity, only Findings that are to be considered for acceptance are provided.

Officers are seeking recommendation from the ARIC to Council, to accept the residual risk for the following completed item from the Audit Findings:

1. Non-compliance with depreciation policy
2. Monitoring of grants income and expenses
3. Plant recovery cost base rate and indirect/overhead cost allocation rate

There are no further Findings from the 2022/23, 2023/24 and 2024/25 audits that require treatment to bring the risk to an acceptable level.

The 2025/26 Interim Audit was conducted by contract auditors Nexia from 11 to 15 May 2026. Findings identified are presented in Appendix 2 along with the Management Comment. It is important to acknowledge that there were only two (2) moderate findings, demonstrating the Shire's commitment to and significant progress in resolving audit issues over several years.

Both Findings are noted as being reported in a previous year. Officers consider these Findings to be reflective of the changes in staffing within the Finance Team in early 2025/26. The matters have been addressed and additional control measures implemented. Should these Findings remain in the Final 2025/26 Audit they will be assessed and provided to Council through ARIC for consideration.

OPTIONS

The ARIC has the following options:

Option 1: The ARIC could choose to recommend to Council that it accepts the controls put in place and Residual Risk for the remaining three (3) Findings and notes no additional treatment is required. The ARIC could choose to recommend to Council that it notes the Findings from the 2025/26 Interim Audit.

Option 2: The ARIC could choose to recommend to Council that further treatment is required for all or a selection of the Findings and that Council notes the Findings from the 2025/26 Interim Audit.

Option 1 is the recommended option, with the acknowledgement that ongoing assessment and identification of opportunities for improvement will occur for those considered at an Acceptable risk level.

IMPLICATIONS TO CONSIDER

Consultative

Executive Leadership Team

Moore Australia

Strategic

Council Plan 2025-2035

Pillar 5: Strong governance, responsive leadership

Community-informed, responsive leadership and strong governance.

Policy Related

G17 Integrated Planning and Reporting - Planning

G19 Risk Assessment and Management

Financial

There are no direct financial implications relating to the risk assessment of the Audit Findings.

Legal and Statutory

Section 7.12A of the *Local Government Act 1995* is applicable and states:

"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."

The *Local Government (Audit) Regulations 1996* provides the legislative framework for the conduct of audits in local government and the role of the ARIC in considering the results of those audits.

Risk Related

The remediation of audit findings reduces financial and reputational risk for the Shire.

Workforce

The ongoing treatment of identified risks can be managed within current operational capacity.

VOTING REQUIREMENTS

Absolute Majority: No

COMMITTEE RECOMMENDATION

Moved: Cr Kevin Trent Seconded: Cr Denese Smythe

That, with regard to the Update on the Findings Identified During Annual Financial Audits, the Audit, Risk and Improvement Committee recommends to Council that it:

1. **Accepts the action taken and residual risk for the following three (3) Findings:**
   - a. **Non-compliance with depreciation policy.**
   - b. **Monitoring of grants income and expenses.**
   - c. **Plant recovery cost base rate and indirect/overhead cost allocation rate.**
2. **Notes the Findings of the 2025/26 Interim Audit.**

In Favour:	**Crs Shona Zulsdorf, Sonia McKeiver, Cr Chris Gibbs, Cr Denese Smythe and Cr Kevin Trent**
Against:	**Nil**
	CARRIED 5/0

Shire of York

AUDIT SNAPSHOT
02/09/2026

AUDITS PLAN

AUDIT FINDINGS 2024/25

Goal	Audit Rating	Prior Year?	Implication	Risk Assess...	Audit Recom...	Management...	Rate Added ...	Residual Ris...	Treatment	Comment	Completion

Goal	Audit Rating	Prior Year?	Implication	Risk Assess...	Audit Recom...	Management...	Rate Added ...	Residual Ris...	Treatment	Comment	Completion
Non-compliance with depreciation policy	Moderate	No	The absence of depreciation on these assets may lead to misstated financial statements, inaccurate asset valuations, and non-compliance with the Shire's Depreciation Policy. This can result in significant accounting and governance issues, undermining the reliability of financial reporting and internal controls over fixed assets.	Risk Rating: High	We recommend that management review the depreciation rates of all assets to ensure they comply with the Shire's Depreciation Policy. Management should also implement a periodic review process to ensure consistent and accurate application of depreciation rates across all assets.	Officers note the misstatements and have committed to a comprehensive review of the depreciation rates in accordance with Shire policy and will ensure depreciation is processed appropriately for future financial years.	Adequate	Residual Consequence: Moderate Residual Likelihood: Unlikely Residual Risk Rating: Moderate	Accept	**Anneke Birleson:** Information was provided to auditors as part of the Interim Audit conducted in May 2026 and is no longer identified as a Finding. Depreciation rates are scheduled for annual reviews, after the closure of the asset register each financial year. *02/09/2026* **Anneke Birleson:** All assets are now being depreciated except those in progress (for example the new Swimming Pool), roads subgrade and septage ponds. This information has been provided to auditors as part of the Interim Audit conducted in May 2026. Officers will seek to close this item if the finding is no longer identified within the Management Report. Depreciation rates will now be scheduled for annual reviews. *03/06/2026*	100%

AUDIT FINDINGS 2022/23

Goal	Audit Rating	Prior Year?	Implication	Risk Assess...	Audit Recom...	Management...	Rate Added ...	Residual Ris...	Treatment	Comment	Completion
Monitoring of grants income and expenses	Significant	Yes	Without regular monitoring of a grant register, the Shire is exposed to an increased risk of non-compliance with agreements, unrecorded transactions in the general ledger, and undisclosed commitments in the financial statements. In addition current practice may result in non-compliance with AASB 15 or 1058 as no assessment has been made to determine the appropriate recognition of revenue of each grant, being either on receipt or over time. Incorrect revenue recognition may cause inaccuracies in the annual financial statements and the Shire's monthly financial information meaning financial decision making may be ill-informed.	Risk Rating: High	The Shire should review its current practice and implement a standard process to ensure its grant register is appropriately maintained to address the risks noted above. The Shire should retrospectively complete a detailed revenue recognition assessment of its grant revenue streams. This is to conclude if a particular grant revenue stream or transaction arises from an enforceable contract with a customer and has sufficiently specific performance obligations. The assessment will trigger the revenue recognition requirements under AASB 15, or if it falls outside this scope, under AASB 1058, so that revenue is not misstated for the 2023-24 financial year.	Historically an excel workbook has been used for the Grants Register where every Responsible Officer is required to add any new grants and update any other relevant information. Senior Finance Officer would update income and expenditure monthly and email register to all staff each month for review and update. This register has been superseded by the Government Frameworks IPR software which will be implemented in 2024. Progress can be tested during Interim and Final Audits for 2023/24.	Adequate	Residual Consequence: Major Residual Likelihood: Possible Residual Risk Rating: Moderate	Accept	**Anneke Birleson:** Consideration has been given to effectively resourcing this task. Additional capacity has been identified and will be dedicated to finalising and updating the grant register on an ongoing basis. *02/09/2026* **Anneke Birleson:** A register of all Capital Project grants has been compiled and is to be consolidated with operational grants. All grants are tracked through the monthly financial reports. Further Treatment is still required. *03/06/2026*	100%

Goal	Audit Rating	Prior Year?	Implication	Risk Assess...	Audit Recom...	Management...	Rate Added ...	Residual Ris...	Treatment	Comment	Completion
Plant recovery cost base rate and indirect/overhead cost allocation rate	Moderate	Yes	The use of outdated base rate for plant recovery cost and the application of indirect/overhead cost recovery rate increases the risk of the project/fixed assets costs being misstated.	Risk Rating: High	The Shire should review the base rate for plant recovery costs and the indirect/overhead cost recovery rate to determine their currency and accuracy.	This work has not been completed but assistance in ensuring a robust process has been sought via the contract with Moore Australia.	Adequate	Residual Consequence: Minor Residual Likelihood: Unlikely Residual Risk Rating: Low	Accept	**Anneke Birleson:** Plant recovery costs and public works overheads were reviewed as part of the 2026/27 budget process and are considered acceptable. Ongoing monitoring and review to continue. *02/09/2026* **Anneke Birleson:** Review of plant recovery costs to be completed as part of 2026/27 budget process. *04/03/2026*	100%

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Office of the Auditor General
Serving the Public Interest

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Alina Behan
Chief Executive Officer
Shire of York
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EMAIL: [redacted]@YORK.WA.GOV.AU

Dear Ms Behan

ANNUAL FINANCIAL REPORT
INTERIM AUDIT RESULTS FOR THE YEAR ENDING 30 JUNE 2026

We have completed the interim audit for the year ending 30 June 2026. We performed this phase of the audit in accordance with our audit plan. The focus of our interim audit was to primarily evaluate your financial control environment, and to obtain an understanding of the key business processes, risks and internal controls relevant to our audit of the annual financial report.

Management control issues
We would like to draw your attention to the attached listing of deficiencies in internal control and other matters that were identified during the course of the interim audit. These matters have been discussed with management and their comments have been included on the attachment. The matters reported are limited to those deficiencies that were identified during the interim audit that we have concluded are of sufficient importance to merit being reported to management.

This letter has been provided for the purposes of your local government and may not be suitable for other purposes.

We have forwarded a copy of this letter to the President. A copy will also be forwarded to the Minister for Local Government when we forward our auditor's report on the annual financial report to the Minister on completion of the audit.

Feel free to contact me on [redacted] if you would like to discuss these matters further.

Yours faithfully

[redacted]

Senior Director
Financial Audit
21 July 2026

Attach

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ATTACHMENT

SHIRE OF YORK

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2026

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

Index of findings	Potential impact on audit opinion	Rating	Year first raised
1. Inappropriate User Access in Synergy	No	Moderate	2024
2. Lack of documented evidence for approval of new creditors created in the Supplier (Creditor) Masterfile	No	Moderate	2025

Ratings
The ratings in this management letter reflect our assessment of risks based on the likelihood and potential impact if no action is taken. These outcomes consider both quantitative impact (such as financial loss) and qualitative impact (such as inefficiency, non-compliance, poor service to the public or loss of public confidence).

● **Significant** – Findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit opinion, it should be addressed 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.

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SHIRE OF YORK

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2026

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

1. Inappropriate user access in Synergy

From our review of the Synergy user access list, we found that the Finance Manager has super user access.

This finding was first reported in 2024.

Rating: Moderate (2024: Moderate)

Implication
Access privileges for users beyond those necessary to perform their assigned duties might result in the recording of unauthorised, non-existent or inaccurate transactions, improper changes to data, or destruction of data which could result in errors or fraud.

Recommendation
Super user access should be limited to privileged users that require this access consistent with their roles and responsibilities. Where super user access is no longer required, this access should be immediately removed or updated. Should this not be deemed practical, a process of review for all actions performed using the super user access should be implemented.

Management comment
Following the 2024 audit recommendation and associated management action, restricted system access controls were implemented and initially demonstrated effectiveness.

Between July and October 2025, significant workforce changes resulted in an increased number of users requiring temporary access. This also brought changes in key oversight roles that limited regular review of system access.

Access has been reviewed and is now limited to three employees. To strengthen controls, superuser oversight has been incorporated into Human Resource processes for both internal and external appointments, supporting the ongoing effective management of restricted access arrangements.

HR ensure access is changed at point of onboarding, offboarding or change in position. The oversight is provided by the Governance team, who are responsible for ICT services including monitoring systems access.

Responsible person: A/EMCCS
Completion date: **30 June 2026**

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SHIRE OF YORK

PERIOD OF AUDIT: YEAR ENDING 30 JUNE 2026

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

2. Lack of documented evidence for approval of new creditors created in the Supplier (Creditor) Masterfile

During the interim audit visit, we noted that 1 out of the 17 samples tested for new creditors created did not contain evidence of signature or authorisation by the Senior Finance Officer on the new creditor request forms as required by the established approval process.

This finding was first reported in 2025.

Rating: Moderate **(2025:** Moderate**)**

Implication
During the interim audit visit, we noted that 1 out of the 17 samples tested for new creditors created did not contain evidence of signature or authorisation by the Senior Finance Officer on the new creditor request forms as required by the established approval process.

This finding was first reported in 2025.

Recommendation
Management should enforce the requirement for Senior Finance Officer authorisation on all new creditor request forms before creating new creditors in the Supplier Masterfile.

Management comment
The Finance team have been reminded that the Senior Finance Officer is required to review and authorise all new creditor requests entered into the Supplier Masterfile. This process includes checking the details have been entered correctly.

The current process, including a recently implemented online form has the Senior Finance Officer sign off once all steps are complete. To have a review point prior to entry into the system and after is currently impractical and could create non-compliance issues through ineffective tracking of the process. However, the team commits to reviewing the process in the 2026/27 financial year.

An added control measure that the Shire has applied is a Purchase Order request cannot be raised until the responsible officer is provided with the Creditor number by the Finance Officer (Creditors).

If the Senior Finance Officer is on leave the approval officer is to be the Manager Finance.

The Shire's procedure is for the Finance Officer (FO) to carry out all the necessary checks and enter the creditor into SynergySoft. The creditor is not used until the Senior Finance Officer (SFO) has signed off on their review. The SFO reviews the documentation and the entry into the system to ensure everything is correct. If the SFO only authorises the form prior to entry, there is a risk of errors being made in the system that may go undetected. Our forms are designed to be signed off upon completion of the whole process.

Responsible person: Senior Finance Officer
Completion date: **30 June 2026**

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9.3 RISK MANAGEMENT REPORT UPDATE

File Number:	**4.8787**
Author:	**Kylie Williams, Temporary Manager Governance**
Authoriser:	**Alina Behan, Chief Executive Officer**
Previously before Council:	**6 December 2025 (181225) 24 March 2026 (100326) 23 June 2026 (150626)**
Disclosure of Interest:	**Nil**
Appendices:	**Nil**

NATURE OF COUNCIL'S ROLE IN THE MATTER

Legislative

PURPOSE OF REPORT

This report provides the Audit, Risk and Improvement Committee (ARIC) with an update regarding progress on the Shire's Risk Plan.

BACKGROUND

The Shire of York's Risk Assessment and Management Policy, in conjunction with the Risk Management Framework, sets out the Shire's approach to the identification, assessment, management and monitoring of risks.

The Shire's Risk Management Objectives are:

1. Optimise the achievement of our vision, experiences, strategies, goals and objectives.
2. Provide transparent and formal oversight of the risk and control environment to enable effective decision making.
3. Enhance risk versus return within our risk appetite.
4. Embed appropriate and effective controls to mitigate risk.
5. Achieve effective corporate governance and adherence to relevant statutory, regulatory and compliance obligations.
6. Enhance organisational resilience.
7. Identify and provide for the continuity of critical operations.

It is essential to monitor and review the management of risks as changing circumstances may result in some risks increasing or decreasing in significance. ARIC has previously requested that the Shire review its risk reporting to provide high-level information that supports effective oversight of strategic risks. In response, the Shire has made iterative changes to its risk reporting, with revised reporting formats developed and tested with ARIC through a workshop process. The Shire has also networked with other local governments to identify contemporary approaches and better practice in risk reporting. These activities have informed the development of a new draft risk report that provides clearer oversight of the Shire's strategic risks, while supporting ongoing monitoring of risk movements, residual risk and the effectiveness of controls.

COMMENTS AND DETAILS

On 10 March 2026 the Acting Executive Manager Corporate and Community held a workshop with ARIC, to identity potential steps to improve risk reporting. ARIC provided commentary for consideration, which has been noted by Officers. During the last quarter, the Temporary Manager Governance held a workshop with the Executive Leadership Team, to review the Shire's current Risk Management Framework and Reporting. The outcomes from this workshop identified an agreed and achievable reporting structure for consideration by ARIC.

The revised draft report will be presented to ARIC, at a workshop prior to its September 2026 meeting. The purpose of this workshop will be to view a sample report for feedback, prior to it being finalised in the Government Framework software. Due to this, a Risk Report has not been generated as an appendix for the ARIC Report this quarter.

The revised draft report will include the information described in the table below.

Report Heading	Description
Strategic Risk	Lists the strategic risk being assessed.
Council Plan Alignment	Identifies the relevant Council Plan pillar(s) to which the strategic risk relates, demonstrating the connection between the risk and the Shire's strategic priorities and objectives.
Potential Causes	Identifies the key factors, events or circumstances that could cause or contribute to the risk occurring.
Risk Assessment	Assessment of potential consequences of the risk across relevant impact areas, such as financial, compliance, reputation, people, service interruption, environment, property, project time and project cost. The assessment will also record the overall risk rating and likelihood.
Risk Controls	List the existing measures, processes, policies, or activities in place to prevent the risk from occurring or reduce its likelihood or consequences.
Residual Risk Rating	The level of risk remaining after controls have been considered.
Control Effectiveness	Assessment of how effective the existing controls are managing the risk and may include commentary regarding their operation.
Risk Appetite	Indicates if the residual risk rating is within the Shire's accepted level of risk or whether further treatment or management action is required.
ELT Recommendation	Records any recommendation, action or direction from the Executive Leadership Team in response to the risk assessment, including where additional controls or treatment actions are required.

It is anticipated that the revised report format and data will be finalised in Government Frameworks prior to the December 2026 ARIC meeting.

OPTIONS

The ARIC has the following options:

Option 1: The ARIC could recommend to Council that it notes the reporting progress made to date and requests the Chief Executive Officer to report on progress against the Strategic Risks at its December 2026 Ordinary Meeting.

Option 2: The ARIC could recommend to Council that it notes the progress made to date, requests further development of the reporting tools and requests the Chief Executive Officer to present the final reporting tools for approval and report on progress against the Strategic Risks at its December 2026 Ordinary Meeting.

Option 1 is the recommended option.

IMPLICATIONS TO CONSIDER

Consultative

Temporary Manager Governance held risk workshop with Acting Executive Manager Corporate and Community, Executive Manager Infrastructure and Development Services and Acting Chief Executive Officer.

Research was completed to view sample risk reports from other Local Governments such as Victoria Park, Shire of Serpentine Jarrahdale and other Local Governments located interstate.

Government Frameworks were consulted to view reporting capabilities against desired objectives and view sample risk reporting structure for other local governments such as City of Maitland in NSW.

Strategic

Council Plan 2025-2035

Pillar 5: Strong governance, responsive leadership

Community-informed, responsive leadership and strong governance

Policy Related

G19 Risk Assessment and Management

Financial

Financial implications of the proposed risk mitigation strategies are presented to Council as they emerge and inform the annual budget process.

Legal and Statutory

Regulation 17 of the *Local Government (Audit) Regulations 1996* is applicable and states:

"17. CEO to review certain systems and procedures

(1) The CEO must review the appropriateness and effectiveness of the local government's systems and procedures in relation to the following matters —

(a) financial management;

(b) legislative compliance;

(c) risk management.

(2) Under subregulation (1), the CEO may review any or all of the matters referred to in subregulation (1)(a) to (c) at any time but must review each of those matters not less than once in every 4 financial years.

(3) The CEO must report to the audit, risk and improvement committee the results of each review carried out under subregulation (1)."

Risk Related

The development and regular update of a Strategic Risk Register is a risk management tool.

Workforce

It is proposed that risk mitigation actions are undertaken within current resources. Where additional resources are required, this will be identified and submitted as part of the annual budget process.

VOTING REQUIREMENTS

Absolute Majority: No

COMMITTEE RECOMMENDATION

Moved: Cr Chris Gibbs Seconded: Cr Kevin Trent

That, with regard to the Risk Management Report Update, the Audit, Risk and Improvement Committee recommends to Council that it:

1. **Notes the progress made to date in relation to the Strategic Risk Register.**
2. **Requests the Chief Executive Officer to present a Risk Management Update, including specific reporting on the Strategic Risk Register, to the Audit, Risk and Improvement Committee at its December 2026 meeting.**

In Favour: **Crs Shona Zulsdorf, Sonia McKeiver, Cr Chris Gibbs, Cr Denese Smythe and Cr Kevin Trent**

Against: **Nil**

CARRIED 5/0

9 MOTIONS OF WHICH PREVIOUS NOTICE HAS BEEN GIVEN

Nil

10 QUESTIONS FROM MEMBERS WITHOUT NOTICE

Nil

11 BUSINESS OF AN URGENT NATURE INTRODUCED BY DECISION OF THE MEETING

Nil

12 CLOSURE

The Presiding Member thanked everyone for their attendance and closed the meeting at 3.59pm.