



AUDIT RISK & IMPROVEMENT COMMITTEE AGENDA

Wednesday, 9 September 2026 4:00pm, Shire of
Kulin Council Chambers, 38 Johnston Street Kulin

DISCLAIMER: The advice and information contained herein is given by and to the Council without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to the Council giving entire reasons for seeking the advice or information and how it is proposed to be used. Please note this agenda contains recommendations, which have not yet been adopted by Council.

Alan Leeson
Chief Executive Officer
7 September 2026

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1 DECLARATION OF OPENING

The Chair, Independent Presiding Member, Mr Darren Mollenoyux declares the meeting open.

2 RECORD OF ATTENDANCE

ATTENDANCE

D Mollenoyux	Chair, Independent Presiding Member
Cr G Robins (Shire President)	Committee Member
Cr B Smoker (Deputy President)	Committee Member
Cr J Noble	Committee Member
Cr C Mullan	Committee Member
Cr R Bowey	Committee Member
Cr B Miller	Committee Member
Cr L Siviour	Committee Member
A Leeson	Chief Executive Officer (staff)
F Murphy	Executive Manager Financial Services (staff)
C Lewis	Executive Manager Governance and Risk (staff)
T Scadding	Executive Manager Community Services (staff)
J Hobson	Executive Manager Works (staff)
C Higgins	Executive Support Officer (staff)

APOLOGIES

Y Bowey	Deputy Presiding Member
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3 APPROVAL TO ATTEND MEETING BY ELECTRONIC MEANS

Members of the Audit Risk and Improvement Committee may attend meetings by electronic means in accordance with the scope of section 14C of the *Local Government (Administration) Regulations 1996*.

Attendance by electronic means (by Microsoft Teams) for the independent Presiding Member, Mr Darren Mollenoyux has been authorised by the Shire President, Cr Grant Robins.

OFFICER'S RECOMMENDATION

That in accordance with section 5.25 of the *Local Government Act 1995* and Regulation 14C of the *Local Government (Administration) Regulations 1996*, the ARIC notes that the independent Presiding Member, Mr Darren Mollenoyux has been authorised to attend the meeting by electronic means (via Microsoft Teams).

4 DECLARATIONS OF INTEREST BY MEMBERS

4.1 Declarations of Financial Interest

4.2 Declarations of Proximity Interest

4.3 Declarations of Impartiality Interest

4.4 Declarations of Indirect Financial Interest

5 APPLICATIONS FOR LEAVE OF ABSENCE

6 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

6.1 Previous Meeting

Minutes of the Audit, Risk and Improvement Committee meeting held on 15 April 2026 provided to Committee members.

[Attachment 1 - Minutes of Audit Risk and Improvement Committee meeting 15 April 2026](#)

OFFICER'S RECOMMENDATION

That the minutes of the Shire of Kulin Audit, Risk and Improvement Committee meeting held on 15 April 2026 be confirmed as a true and correct record.

7. AGENDA BUSINESS - MATTERS REQUIRING DECISION

7.1 Review and Endorsement of Shire of Kulin Compliance Audit Return (CAR)

Responsible Officer:	Chief Executive Officer
File Reference:	04.02 <i>Local Government Act 1995</i> and Regulations
Author:	Executive Manager Governance and Risk, Cassi Lewis Shire of Kulin Strategic Integrated Plan 2025-2035 Strategic Pillar 4: Civic Leadership – Responsible, accountable and transparent leadership to deliver our priorities; Goal 11 – High Standard of Governance
Strategic Reference:	
Disclosure of Interest:	Nil
Attachment:	Attachment 2 - 2025 Compliance Audit Return

SUMMARY

To present the Shire of Kulin's 2025 Compliance Audit Return (CAR) to the Audit, Risk and Improvement Committee (ARIC) for review and recommendation to Council.

The completed CAR indicates a high level of legislative compliance overall, with two matters identified as non-compliant. These relate to requirements contained within the Employee Code of Conduct regarding the management of gift information and completion of prescribed training by Council Members.

BACKGROUND & COMMENT

Each year local governments are required to undertake a compliance audit for the period 1 January to 31 December against prescribed provisions of the *Local Government Act 1995* and associated regulations.

The CAR provides a structured self-assessment of compliance with a range of legislative requirements relating to governance, financial management, delegations, disclosure of interests, elections, employee conduct, Council Member training, tendering and procurement, disposal of property and other statutory responsibilities.

Legislative amendments commencing from 1 January 2026 have changed the process applying to the CAR. The Chief Executive Officer is now required to prepare the CAR and provide it to the Shire's ARIC. The ARIC must review the CAR, report the results of its review to Council and make any recommendations it considers appropriate.

Council must subsequently consider the CAR together with the results and recommendations arising from the ARIC review, determine whether any matters identified require action and adopt the CAR, with or without amendments. The Shire of Kulin's 2025 CAR has now been completed and is included as an attachment to this report.

Legislative Reference	CAR Response	Finding and Proposed Action
Local Government (Administration) Regulations 1996 – r.19AC	No	The Shire's Employee Code of Conduct requires employees to disclose reportable gifts to the CEO within 10 days; however, the Code does not expressly contain requirements dealing with the recording, storage, disclosure and use of information relating to gifts accepted by employees from associated persons, as required by regulation 19AC. Staff will amend the Employee Code of Conduct to expressly incorporate these requirements and publish the updated Code on the Shire's website.
Local Government (Administration) Regulations 1996 – r.35	No	As at 31 December 2025, not all prescribed Council Member Essentials training requirements had been completed within the required timeframe. Staff note that this requirement has been satisfied in 2026.

FINANCIAL IMPLICATIONS

There are no material financial implications arising from this report.

STATUTORY AND PLANNING IMPLICATIONS

Local Government (Audit) Regulations 1996

Regulation 14 requires a local government to undertake an annual compliance audit for the period 1 January to 31 December.

Following completion of the compliance audit:

- the CEO must prepare the Compliance Audit Return and provide it to the ARIC;
- the ARIC must review the CAR, report the results of its review to Council and make any recommendations it considers appropriate;
- Council must consider the CAR and the results and recommendations of the ARIC review;
- Council must determine whether any matters raised require action; and
- Council must adopt the CAR, either as presented or subject to amendments determined by Council.

Following adoption, regulation 15 requires the local government to provide the Local Government Inspector with:

1. the adopted CAR, signed by the Shire President and Chief Executive Officer;
2. any recommendations made by the ARIC following its review of the CAR;
3. the relevant section of the Council minutes recording adoption of the CAR; and
4. any additional information explaining or qualifying the compliance audit.

Transitional provisions applying to the 2025 CAR require the information relating to the compliance audit for the period 1 January 2025 to 31 December 2025 to be provided to the Local Government Inspector by 30 September 2026.

POLICY IMPLICATIONS

The Shire's Employee Code of Conduct requires amendment by the CEO to expressly incorporate the requirements of regulation 19AC relating to the recording, storage, disclosure and use of employee gift information.

COMMUNITY CONSULTATION

Nil

WORKFORCE IMPLICATIONS

Nil

RECOMMENDATION

That the Audit, Risk and Improvement Committee:

1. Receives and reviews the Shire of Kulin Compliance Audit Return for the period 1 January 2025 to 31 December 2025;
2. Notes the matters identified as non-compliant relating to:
 - a. Regulation 19AC of the *Local Government (Administration) Regulations 1996* – Employee Code of Conduct requirements relating to the recording, storage, disclosure and use of employee gift information; and
 - b. Regulation 35 of the *Local Government (Administration) Regulations 1996* – prescribed Council Member training requirements;
3. Recommends that Council:
 - a. considers the results of the Audit, Risk and Improvement Committee's review of the 2025 Compliance Audit Return and the recommendations made by the Committee;
 - b. authorises the Shire President and Chief Executive Officer to sign the adopted Compliance Audit Return; and
 - c. Endorse the return for submission to the Local Government Inspector by the 30 September 2026.

VOTING REQUIREMENTS

Absolute Majority Required.

[Attachment 2 - 2025 Compliance Audit Return](#)

7.2 Review and Endorsement of New Terms of Reference for Audit Risk and Improvement Committee and Appointment of Independent Member

Responsible Officer:	Chief Executive Officer
File Reference:	13.03
Author:	Chief Executive Officer – Alan Leeson Shire of Kulin Strategic Integrated Plan 2025-2035
Strategic Reference:	11 – High Standard of Governance
Disclosure of Interest:	Nil
Attachment:	Attachment 3 – Draft Amended Terms of Reference

SUMMARY

The Audit Risk and Improvement Committee (“the ARIC”) endorsed its proposed Terms of Reference at its meeting on 15 April 2026. The Terms of Reference were subsequently adopted by the Shire of Kulin Council at its Ordinary Council Meeting on 20 May 2026.

Revised Terms of Reference are presented to this meeting of the ARIC with a recommendation to endorse amendment to the Terms of Reference regarding:

- Reference to a Deputy Presiding Member;
- Meeting frequency provisions to align with presentation of Agenda business.

Further, the ARIC is asked to endorse the variation of appointment of an independent member.

BACKGROUND & COMMENT

The Terms of Reference were adopted in May 2026 outlining various requirements of the Act and procedural matters regarding the operation of the ARIC.

The *Local Government Act 1995* (“the Act”) mandates appointment of two independent appointments to the ARIC – an independent Presiding Member and an independent Deputy of the Presiding Member. Local governments may optionally appoint a Deputy Presiding Member.

The required appointments were considered to have been achieved by the appointment by Council of Mr Darren Mollenoyux as Presiding Member and appointment of Mrs Yvonne Bowey as both a member of the committee and as Deputy Presiding Member of the ARIC, with the intention of that role to also deputise for the Presiding Member in his absence. Both appointments are independent as required by the Act and each appointment is supported by significant demonstrated skills and experience.

Since appointment of the Deputy Presiding Member, information has been received that the provisions of the Act should be interpreted so that the mandated role of the Deputy of the Presiding Member is only to deputise and carry out the roles and responsibilities of the Presiding Member in their absence and to not be a member of the committee at all times or serve as the Deputy Presiding Member.

To account for this interpretation, it is also proposed that that Terms of Reference be revised to:

- Clarify the role of the Deputy of the Presiding Member in clause 6.2; and
- Amend clause 6.3 and associated other clauses regarding references to Deputy Presiding Member (this is an optional appointment) and include references to the Deputy of the Presiding Member as necessary.

It is proposed that the ARIC endorse amending Mrs Yvonne Bowey’s appointment from committee member and Deputy Presiding Member to Deputy of the Presiding Member (to only deputise as required in the absence of the Presiding Member).

As the position of Deputy Presiding Member is optional, it will be proposed that Council does not appoint anyone in this position for the time being. This can be reconsidered after the 2027 elections.

Further, it is proposed to amend the meeting frequency provisions in clause 7.1 of the Terms of Reference to require meetings at least four (4) times per calendar year rather than ‘quarterly’. It is considered that this will create appropriate flexibility to align with the timing of relevant Agenda business and provides clarity as to the meaning of a ‘year’.

FINANCIAL IMPLICATIONS

Sitting fees for Elected Members and independent committee members are set in accordance with Council policy, within the limits prescribed by the *Salaries and Allowances Tribunal*, and incorporated into Council's annual budget each financial year. The new proposed Terms of Reference will not require two independent persons to attend all meetings of the ARIC (which will be a saving in committee fees for independent members).

STATUTORY AND PLANNING IMPLICATIONS

Local Government Act 1995

Local Government (Audit) Regulations 1996

POLICY IMPLICATIONS

Shire of Kulin Audit Risk and Improvement Committee – Terms of Reference

COMMUNITY CONSULTATION

There is no requirement for community consultation. There has been appropriate internal consultation amongst the Executive Management Team and review of sector practice.

WORKFORCE IMPLICATIONS

Nil

OFFICER'S RECOMMENDATION

That the Committee:

1. Endorse the amended draft Terms of Reference for the ARIC and recommends that Council adopt the amended Terms of Reference; and
2. Endorse the change in Mrs Yvonne Bowey's appointment from Deputy Presiding Member and committee member, to Deputy of the Presiding Member.

VOTING REQUIREMENTS

Simple majority.

[Attachment 3 – Amended Draft Terms of Reference](#)

8 NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY DISCUSSION OF THE MEETING

Nil

9 CLOSURE / DATE AND TIME OF NEXT MEETING

There being no further business the Presiding Member declared the meeting closed.

Next Meeting date: **Wednesday 9 December, 5pm.**