



AUDIT RISK & IMPROVEMENT COMMITTEE MINUTES

Held Wednesday 15 April 2026, 1.00pm at
the Shire of Kulin Council Chambers
38 Johnston Street, Kulin

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1 DECLARATION OF OPENING

The Chair, Independent Presiding Member, Mr Darren Mollenoyux declared the meeting open at 1pm.

As the first item of business, the Presiding Member, Mr Mollenoyux requested that the Committee move a procedural motion to confirm Committee approval of his attendance electronically, via Microsoft Teams. He confirmed he could remain in instantaneous contact with the rest of the Committee for the duration of the meeting via Microsoft Teams.

01/0426

Moved Cr Smoker **Seconded** Cr Robins, that in accordance with section 5.25 of the *Local Government Act 1995* and Regulation 14C of the *Local Government (Administration) Regulations 1996*, that the independent Presiding Member, Mr Darren Mollenoyux be permitted to attend the meeting by electronic means and notes that Mr Mollenoyux confirms he can remain in instantaneous contact with the rest of the Committee for the duration of the meeting.

For – Mr D Mollenoyux, Cr Robins, Cr Smoker, Cr Noble, Cr Bowey, Cr Mullan, Cr Miller, Cr Siviour

Against – Nil

Carried 8/0

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 of Governance and Risk (staff)

C Higgins

Executive Support Officer (staff)

APOLOGIES

Nil

3 DECLARATIONS OF INTEREST BY MEMBERS

3.1 Declarations of Financial Interest

Nil

3.2 Declarations of Proximity Interest

Nil

3.3 Declarations of Impartiality Interest

Nil

3.4 Declarations of Indirect Financial Interest

Nil

4 PUBLIC QUESTION TIME

Nil

5 PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS

Nil

6 APPLICATIONS FOR LEAVE OF ABSENCE

Nil

7 CONFIRMATION OF MINUTES OF PREVIOUS MEETING

7.1 Previous Meeting

Minutes of the Audit and Risk Committee meeting held on 16 December 2025 provided to Committee members and provided as an attachment.

[Attachment 1 – Audit and Risk Committee Meeting Minutes 16 December 2025](#)

In accordance with Regulation 11 of the Local Government (Administration) Regulations 1996, the Presiding Member, the officer's recommendation was adopted with amendment. The Presiding Member, Mr Mollenoyux noted that a correction was required to page 10, Item 5 of the Minutes previously circulated as they contained an incorrect date and proposed an alternative motion to reflect that amendment being incorporated which was carried by the Committee.

02/0426

Moved Cr Bowey **Seconded** Cr Miller, that the minutes of the Audit and Risk Committee held on 16 December 2025 be confirmed as a true and correct record, subject to a correction being made on page 10, Item 5, that the next meeting date be recorded as 18 March 2026, instead of 18 March 2025.

For - Mr D Mollenoyux, Cr Robins, Cr Smoker, Cr Noble, Cr Bowey, Cr Mullan, Cr Miller, Cr Siviour

Against - Nil

Carried - 8/0

8 AGENDA BUSINESS - MATTERS REQUIRING DECISION

8.1 Audit, Risk and Improvement Committee (ARIC) – Independent Deputy Presiding Member and Draft Terms of Reference

Responsible Officer:	Chief Executive Officer, Alan Leeson
File Reference:	13.0
Author:	Chief Executive Officer, Alan Leeson
Strategic Reference:	11 – Civic Leadership and Governance
Disclosure of Interest:	Nil
Attachment:	Attachment 2 – Draft Audit, Risk and Improvement Committee Terms of Reference

SUMMARY

Amendments were introduced in 2024 to the *Local Government Act 1995* (“the Act”) which included a range of reforms that will apply to all local governments. The reforms introduce a requirement to establish a committee of Council to be called the Audit, Risk and Improvement (“ARIC”) committee and other requirements that need to be met to ensure full compliance with the reforms by 30 June 2026.

The Shire of Kulin Council is deemed to have established an ARIC because the Audit Committee of Council that existed immediately before the amendment day of the changes to the Act, met the requirements of Regulation 19 of the *Local Government (Audit Regulations) 1996*.

It is noted that the existing ‘Audit Committee’ is now known as the ‘Audit, Risk and Improvement Committee’ and the purpose of this report is to seek that the Committee:

1. Notes the establishment of the ARIC;
2. Recommends to Council it take appropriate action to appoint an independent Deputy Presiding Member to the ARIC by 30 June 2026;
3. Confirms the composition of the ARIC; and
4. Reviews, and if appropriate, endorses the attached draft Terms of Reference for the ARIC for adoption by Council.

BACKGROUND & COMMENT

The relevant amendments to the Act include requirements that:

1. an ARIC be established;
2. the ARIC include an Independent Presiding Member (Chair) and Deputy Presiding Member (Deputy Chair);
3. members of the ARIC must not be employees;
4. the ARIC have a minimum of three (3) members;
5. Council adopt appropriate governance documentation, including a Terms of Reference to guide the role and function of the ARIC.

In compliance with the amendments to the Act, it is noted that Council has already:

- established an ARIC (deemed established *pursuant to Regulation 19 of the Local Government (Audit Regulations) 1996* as explained above); and
- appointed an independent Presiding Member (Mr Darren Mollenoyux) in accordance with the requirements of the Act (appointed in June 2025).

The composition of the ARIC is noted to be as follows:

- all elected Councillors of the Shire of Kulin, noted to currently be seven (7);
- an independent Presiding Member (Mr Darren Mollenoyux); and
- an independent Deputy Presiding Member (to be appointed).

STATUTORY AND PLANNING IMPLICATIONS

Local Government (Audit) Regulations 1996

Local Government Act 1995 (and Local Government Amendment Act 2024)

To ensure compliance with the requirements of the Act, an independent Deputy Presiding Member needs to be appointed by 30 June 2026. Council is required to establish appropriate governance framework, including by adopting a Terms of Reference for the ARIC.

POLICY IMPLICATIONS

The role of the Committee in reviewing and endorsing an appropriate Terms of Reference for the ARIC for Council's adoption and guide the approach regarding appointment of an independent Deputy Presiding Member will support Council in its obligations. Council is required to establish appropriate governance framework regarding the ARIC and adopt a Terms of Reference.

FINANCIAL IMPLICATIONS Sitting fees for Elected Members and independent committee members will be 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.

RISK IMPLICATIONS

The legislative reforms require compliance by 30 June 2026. To remove and mitigate the risk of legislative non-compliance, endorsement of the process for appointment of an independent Deputy Presiding Member and review and input into the attached draft Terms of Reference needs to be undertaken in a timely manner.

WORKFORCE IMPLICATIONS

Nil

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.

VOTING REQUIREMENTS

Simple Majority

[Attachment 2 – Draft Terms of Reference](#)

03/0426

At the invitation of the Presiding Member, Mr Mollenoyux, the Chief Executive Officer, Mr Alan Leeson, spoke briefly to the report which was otherwise taken as read. The Presiding Member, Mr Mollenoyux, called for a motion regarding the recommendations which he read out. There being no further discussion or opposition, it was:

Moved Cr Smoker **Seconded** Cr Mullan, that the Committee:

1. Notes the establishment of the ARIC;
2. Endorses the current composition of the ARIC;
3. Recommends to Council that it takes appropriate action to appoint an independent Deputy Presiding Member prior to 30 June 2026; and
4. Endorses the draft Terms of Reference for the ARIC and recommends that Council adopt the Terms of Reference.

For - Mr D Mollenoyux, Cr Robins, Cr Smoker, Cr Noble, Cr Bowey, Cr Mullan, Cr Miller, Cr Siviour

Against – Nil

Carried – 8/0

9 GENERAL BUSINESS/DISCUSSION

Audit Entrance Meeting 15 April 2026

The Presiding Member, Mr Mollenoyux, invited Mrs Fiona Murphy, Executive Manager Financial Services, to speak to the Audit Entrance meeting.

Mrs Murphy confirmed that the Audit Entrance Meeting with the new contract auditors, SW Audit, and a representative of the Office of the Auditor-General had been undertaken earlier in the day (at 12.30pm on 15 April 2026). She noted that Cr Siviour and Cr Bowey were also in attendance (and Mr Mollenoyux, noting his role as independent Presiding Member of the Audit, Risk and Improvement Committee).

Following discussion, Mrs Murphy also noted that:

- The interim audit visit will occur at the end of May 2026 and given this is the first year of the contract with SW Audit, extra time will be required of Shire staff;
- The term of appointment for the new auditors would be 3 years;
- Operationally there was no significant changes to prior years, so a smooth transition was expected; and
- Councillors and ARIC Committee members would be kept informed

Mr Mollenoyux asked if there would be an increase in audit fees, with some local government charges potentially increasing by more than \$10,000. Mrs Murphy confirmed there would be an increase for the Shire of Kulin of a few thousand dollars, with total audit fee for this year being just below \$40,000. Good preparation for audit visits will hopefully minimise any additional audit costs.

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

Nil

11 CLOSURE / DATE AND TIME OF NEXT MEETING

There being no further business the Presiding Member declared the meeting closed at 1.07pm and thanked all for their attendance.

Next Meeting date: **To be advised**