SHIRE OF BEVERLEY

NOTICE OF MEETING

Notice is hereby given that the next Audit, Risk and Improvement Committee Meeting will be held in the Council Chambers, 132 Vincent Street Beverley, on Wednesday 9 September 2026 at 2:00pm.

Program

2:00pm Audit, Risk and Improvement Committee Meeting

Stephen Gollan
Chief Executive Officer

31 August 2026

9 SEPTEMBER 2026

AUDIT, RISK & IMPROVEMENT COMMITTEE MEETING

AGENDA

CONTENTS

1. OPENING
The Chairperson to declare the meeting open.

2. ATTENDANCE, APOLOGIES AND LEAVE OF ABSENCE

2.1 Committee Members

Mrs K Crute	Independent Chairperson
Cr DJ Ridgway	Shire President
Cr AFC Sattler	Deputy President

2.2 Staff Members

Mr SP Gollan	Chief Executive Officer
Mr SK Marshall	Deputy Chief Executive Officer
Ms M Day	Administrative Trainee

2.3 Observers and Visitors

2.4 Apologies and Approved Leave of Absence

Cr JR Maxwell	Approved Leave
Mrs A Lewis	Executive Assistant

3. DECLARATIONS OF INTEREST

4. CONFIRMATION OF MINUTES

4.1 Minutes of the Audit and Risk Committee Meeting 23 February 2026

OFFICER'S RECOMMENDATION

That the Minutes of the Audit, Risk and Improvement Committee Meeting held Wednesday 23 February 2026 be confirmed.

5. OFFICER REPORTS

5.1 2025 Compliance Audit Return

Submission To:	**ARIC Meeting 9 September 2026**
Report Date:	**21 August 2026**
Applicant:	**N/A**
File Reference:	**ADM 0237**
Author and Position:	**Stephen Gollan, Chief Executive Officer**
Previously Before Council:	**26 February 2025**
Disclosure(s) Of Interest:	**Nil**
Attachments:	**Draft 2025 Compliance Audit Return**

SUMMARY
The Audit, Risk and Improvement Committee (ARIC) to examine the 2025 Compliance Audit Return (CAR) and consider recommending to Council that it be endorsed and forwarded to the Inspectorate.

BACKGROUND
Following the amendments to the *Local Government Act 1995* and the commencement of the Local Government Inspector (the Inspector) the submission of the 2025 CAR was delayed until September 2026. The Inspector is now responsible for the administration of the CAR including the approval of the form and questions for the CAR.

The compliance audit period is 1 January 2025 to 31 December 2025.
Once the audit is completed the Shire is required to:

1. Present the CAR to ARIC for review and consideration.
2. ARIC to recommend the CAR to Council.
3. Seek Council's adoption of the completed CAR.
4. Return the endorsed and certified CAR, along with a copy of the Council Minutes, to the Inspector by 30 September 2026.

In compiling the CAR, the Chief Executive Officer (CEO) and Deputy Chief Executive Officer (Deputy CEO) have undertaken an audit of the Shire activities, practices and procedures applicable to each section.

COMMENT
Following receipt of the CAR questions and recent portal opening from the Inspector, the CEO and Deputy CEO determined responses to questions in the CAR.

The 2025 CAR questions are detailed in Attachment 5.1 and are in the format provided by the Inspectorate. The 2025 CAR contains 82 questions relating to 96 legislative areas as prescribed in Regulation 13 of the Local Government (Audit) Regulations 1997 (WA), across the seven pieces of legislation

STATUTORY ENVIRONMENT
Regulation 14 of the *Local Government (Audit) Regulations 1996 (WA)* (the Regulations) requires that a compliance audit for the period 1 January to 31

December is completed each year in a form approved by the Inspector. Regulation 14 also requires the Audit Risk and Improvement Committee (ARIC) to review the CAR and present those results to Council. The CAR is then to be adopted by Council and recorded in the minutes.

Regulation 15 of the Regulations requires that after the adoption by Council of the CAR, a certified copy (signed by both the Shire President and Chief Executive Officer) of the return, together with a copy of the minutes of the meeting in which the return was adopted with any additional information is required to be submitted to the Inspector by 30 September 2026.

FINANCIAL IMPLICATIONS
Nil

STRATEGIC IMPLICATIONS
Strategic Pillar: 4. Civic Leadership
Strategic Priorities: 4.2 Continuous organisational improvement

RISK IMPLICATIONS
Failure to complete the 2025 Compliance Audit Return would result in non-compliance *Local Government (Audit) Regulations 1996.* Approval of this item will mitigate the consequence.

Consequence / **Likelihood**	**Insignificant**	**Minor**	**Moderate**	**Major**	**Catastrophic**
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	**Action**
Low	Monitor for ongoing improvement.
Medium	Comply with risk reduction measures to keep risk as low as reasonably practical.
High	Review the risk and take additional measures to ensure risk is low as reasonably achievable.
Severe	Unacceptable risk level, reduction measures must be introduced before proceeding.

POLICY IMPLICATIONS
Nil

VOTING REQUIREMENTS
Absolute Majority

OFFICER'S RECOMMENDATION
That the Audit, Risk and Improvement Committee recommend that Council:
1. Receive and adopt the 2025 Compliance Audit Return responses as provided;
2. Authorise the Shire President and Chief Executive Officer to complete the Joint Certification of the 2025 Compliance Audit Return; and
3. Direct the Chief Executive Officer to submit the certified 2025 Compliance Audit Return and a copy of the minutes relevant to this report to the Local Government Inspector by 30 September 2026 in accordance with the Local Government (Audit) Regulations 1996 (WA).

Local Government Inspector

GOVERNMENT OF WESTERN AUSTRALIA

2025 Compliance Audit Return

Local Government Authority: The Shire of Beverley

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: Yes

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: N/A

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: N/A

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

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

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

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

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

s. 5.16 (1)

Were all delegations to committees resolved by absolute majority?

Response: N/A

s. 5.16 (2)

Were all delegations to committees in writing?

Response: N/A

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

s. 5.18

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

Response: N/A

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: N/A

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

s. 5.42

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

Response: Yes

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: N/A

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

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: Yes

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

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

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: N/A

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: N/A

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

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

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: Yes

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

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

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

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

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

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

Response: No

Comments: The Model Code of Conduct was used - no additional requirements.

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

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

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: N/A

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: N/A

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: N/A

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

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

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

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

r. 19C

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

Response: Yes

Adoption date or the date of the most recent review: 28/11/2023

r. 19DA

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

Response: No

Comments: CBP adopted 24 February 2014, a new plan is required.

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

Response: No

Comments: The current plan is out of date.

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: Yes

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: Yes

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: The 2025 Regulation 17 Review was accepted by Council 25 February 2026.

The 2024 Regulation 17 Review was accepted by Council 18 December 2024.

(The date box below does not allow any of these dates).

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: Yes

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 gift disclosures 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: Yes

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: N/A

Comments: No internal audit functions.

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

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

r. 9

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

Response: N/A

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

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

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: Yes

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

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: Yes

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: N/A

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: Yes

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: N/A

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

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

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

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

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: Yes

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: Yes

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

5.2 2025/26 Interim Management Letter

Submission To:	**ARIC Meeting 9 September 2026**
Report Date:	**25 August 2026**
Applicant:	**N/A**
File Reference:	**ADM 0047**
Author and Position:	**Simon Marshall, Deputy Chief Executive Officer**
Previously Before Council:	**Annually**
Disclosure(s) Of Interest:	**Nil**
Attachments:	**Interim Management Letter**

SUMMARY
The Audit, Risk and Improvement Committee to recommend to Council that it receive the Interim Management Letter.

BACKGROUND
The interim audit was conducted by SW Chartered Accountants onsite 20 – 21 May 2026 and remotely until August 2026.

COMMENT
The 2025/26 Interim Management Letter containing one minor finding and two moderate findings is attached for the Committee's reference. Management's comments are provided in blue.

STATUTORY ENVIRONMENT
Section 7.12A of *the Local Government Act 1995* provides the following:

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 his or her 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 is to examine the report of the auditor prepared under section 7.9(1), and any report prepared under section 7.9(3) forwarded to it, and is to —
- (a) determine if any matters raised by the report, or reports, 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 is to —
- (a) prepare a report on any actions under subsection (3) in respect of an audit conducted in respect of a financial year; and
- (b) forward a copy of that report to the Minister, by the end of the next financial year, or 6 months after the last report prepared under section 7.9 is received by the local government, whichever is the latest in time.

FINANCIAL IMPLICATIONS
Nil.

STRATEGIC IMPLICATIONS
Strategic Pillar: 4. Civic Leadership
Strategic Priorities: 4.2 Continuous organisational improvement

RISK IMPLICATIONS
Failure to adopt the Code of Conduct would result in non-compliance. Approval of this item will mitigate any potential consequences.

Consequence / Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	Medium	High	High	Severe	Severe
Likely	Low	Medium	High	High	Severe
Possible	Low	Medium	Medium	High	High
Unlikely	Low	Low	Medium	Medium	High
Rare	Low	Low	Low	Low	Medium

Risk Rating	Action
Low	Monitor for ongoing improvement.
Medium	Comply with risk reduction measures to keep risk as low as reasonably practical.
High	Review the risk and take additional measures to ensure risk is low as reasonably achievable.
Severe	Unacceptable risk level, reduction measures must be introduced before proceeding.

POLICY IMPLICATIONS
Nil

VOTING REQUIREMENTS
Absolute Majority

OFFICER'S RECOMMENDATION
That the Audit, Risk and Improvement Committee recommend to Council that the Interim Management Letter be received.

ATTACHMENT

SHIRE OF BEVERLEY

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2026

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

Index of findings	Potential impact on audit opinion	Rating	Year first raised
1. Purchasing Exceptions	No	Minor	2025
2. User Access	No	Moderate	2026
3. Procurement Process – Segregation of Duties	No	Moderate	2026

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.

SHIRE OF BEVERLEY

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2026

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

1. Purchasing Exceptions

Our interim sample testing of purchases in accordance with the Purchasing and Procurement Policy identified multiple instances where the applicable number of quotations was not obtained per the policy. In the prior year, one instance was identified where the appropriate quotation requirement was not met and had been communicated to the Shire.

Rating: Minor (2025: Minor)

Implication
When purchases are made without obtaining the requires number of quotations, there is increased risk of perceived supplier favouritism and not obtaining value for money.

Recommendation
Quotes should be obtained for purchases in-line with the Shire's purchasing policy. Where it is impractical to obtain the required number of quotations, the reasons for this should be recorded during the requisition stage, prior to committing to the purchase of goods or services.

Management comment
Purchasing should be undertaken in line with Council's Policy. In some instances where there are a known limited number of suppliers or a preferred local supplier e.g. plumbing services, purchasing policy requirements may not be met.

Staff are aware of their purchasing limits and purchasing policy requirements.

Responsible person: Simon Marshall, DCEO
Completion date: On Going

SHIRE OF BEVERLEY
PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2026
FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

2. User Access

In discussion with management, we noted that there is no formal independent review of user access or periodic access recertification over the financial system.

Rating: **Moderate**

Implication
A lack of user access review gives rise to the risk of unauthorised or inappropriate access to the system not being identified in a timely manner.

Recommendation
We recommend implementing a formal periodic user access review, to ensure that the risk of override of controls is mitigated.

Management comment
Noted – due to our small workforce, it is a necessity for staff to be multi-skilled and able to fulfill varying roles as required e.g. covering periods of leave.

A review of user access permissions will be undertaken and adjusted as appropriate to our on going business needs.

Responsible person:	Simon Marshall, DCEO
Completion date:	30 June 2027

SHIRE OF BEVERLEY

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2026

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

3. Procurement Process – Segregation of Duties

Finding
We identified insufficient segregation of duties within the procurement process. Where a purchase falls within an officer's approved delegation limit, the officer can both initiate the procurement and raise a purchase order on behalf of the Council without independent review or approval by another officer.

We note that compensating controls exist after the procurement has occurred. Specifically, invoice approval, invoice processing, and payment authorisation activities require the involvement of two officers.

Rating: **Moderate**

Implication
Insufficient segregation of duties increases the risk that unauthorised, inappropriate, or fraudulent procurement transactions may occur and remain undetected in a timely manner.

Recommendation
The Shire should review its procurement processes and delegation arrangements to determine whether greater segregation of duties can be implemented during the procurement and purchase order stages. Where full segregation of duties is not practical, the Shire should implement alternative mitigating controls, such as independent review, supervisory approval, or periodic monitoring of procurement transactions, to reduce the risk of unauthorised or inappropriate activity.

Management comment
Noted – due to our small workforce, we do not have a centralised purchasing function. Senior and delegated officers are empowered to do their job, which includes the purchasing of goods and services. We conduct a robust budgeting process and staff are provided with a detailed budget which has been approved by Council. This initially guides the procurement process.

Purchases are made in respect to Council's Purchasing Policy and the thresholds dictated therein. In any event, all payments for purchases are reviewed and approved by CEO, DCEO or an Elected Member (two to approve) prior to processing.

Responsible person:	Simon Marshall, DCEO
Completion date:	On Going

ATTACHMENT

SHIRE OF BEVERLEY

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2026

FINDINGS IDENTIFIED DURING THE INTERIM AUDIT

6. UPDATES
6.1 Final Audit

Our 25/26 final audit is scheduled for 7-11 September and Auditors will be onsite during the week.

An ARIC meeting will likely be scheduled to coincide with the 28 October Ordinary Council Meeting, however it will depend upon completion and receipt of the OAG Audit Report.

7. NEW BUSINESS ARISING BY ORDER OF THE MEETING

New Business of an urgent matter only arising by order of the meeting.

8. CLOSURE

The Chairman to declare the meeting closed.