

Shire of Lake Grace

Audit & Risk Committee Meeting

Minutes

17 December 2025

Meeting Commenced at 2.57pm



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SHIRE OF LAKE GRACE

Agenda for the Audit Committee Meeting to be held at Council Chambers, 1 Bishop Street, Lake Grace, WA on Wednesday 17 December 2025.

1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Chairperson of the Audit Committee opened the meeting at 2.57 pm.

2.0 ACKNOWLEDGEMENT OF COUNTRY

I wish to acknowledge the traditional Custodians of the land on which we meet today and pay my respects.

I extend that respect to Aboriginal and Torres Strait Islander peoples here today.

3.0 RECORD OF ATTENDANCE/APOLOGIES/ LEAVE OF ABSENCE (PREVIOUSLY APPROVED)

Present

| | |
|-----------------|-------------|
| Mr P Stoffberg | Chairperson |
| Cr S Hunt | |
| Cr LW Armstrong | |
| Cr R Lloyd | |
| Cr Hyde | |

In Attendance

| | |
|-----------------|--------------------------------|
| Mr A George | Chief Executive Officer |
| Mr A Wooldridge | Deputy Chief Executive Officer |
| Mrs T Hall | Manager Corporate Services |

Apologies

Observers/Visitors

Cr Clarke

4.0 RESPONSE TO PREVIOUS PULIC QUESTIONS TAKEN ON NOTICE

Nil

5.0 PUBLIC QUESTION TIME

Nil

6.0 PETITIONS/DEPUTATIONS/PRESENTATIONS

Nil

7.0 NOTATIONS OF INTEREST

Nil

7.1 DECLARATIONS OF FINANCIAL INTEREST – LOCAL GOVERNMENT ACT 1995 SECTION 5.60A

Nil

7.2 DECLARATIONS OF PROXIMITY INTEREST – LOCAL GOVERNMENT ACT 1995 SECTION 5.60B

Nil

7.3 DECLARATIONS OF IMPARTIALITY INTEREST – ADMINISTRATION REGULATIONS 1996 SECTION 34C

Nil

8.0 ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION

Nil

9.0 CONFIRMATION OF MINUTES

9.1 AUDIT COMMITTEE MEETING – 23 JULY 2025

RECOMMENDATION / RESOLUTION

Moved: Cr Lloyd

Seconded: Cr Hyde

That the minutes of the Audit Committee Meeting held on 23 July 2025 be confirmed as a true and accurate record.

CARRIED 5/0

For: Mr P Stoffberg, Cr S Hunt, Cr LW Armstrong, Cr R Lloyd, Cr Hyde

Against:

10.0 REPORTS OF OFFICERS

10.1 2024/2025 ANNUAL FINANCIAL REPORT AND AUDITOR'S REPORT

| | |
|-------------------------------|--|
| Applicant | Shire of Lake Grace |
| File No. | 0274 |
| Attachments | <ul style="list-style-type: none"> • 2024 / 2025 Annual Financial Statements • OAG Audit Opinion/Report • Final Management Letter |
| Author | Mr Aaron Wooldridge Deputy Chief Executive Officer |
| Disclosure of Interest | Nil |
| Date of Report | 10 December 2025 |
| Senior Officer | Mr Alan George Chief Executive Officer |

Summary

The purpose of this item is for the Audit Committee to recommend that Council accept the Auditors report and Annual Report for the year ended 30 June 2025, and to set a date for the Annual General Meeting of Electors.

Background

The Shire's auditors AMD undertook the annual site visit to Lake Grace between 8 and 10 October 2025, with follow up work completed electronically throughout October and November. The exit meeting was held with the Office of the Auditor General and AMD on Thursday 20 November, and the final audit opinion report was signed off by the OAG on 25 November.

Section 5.54 of the *Local Government Act 1995 Acceptance of Annual Reports* requires an Annual Financial Statement to be accepted by Council by 31 December in each year, unless the Auditors Report is not available in time. The *Local Government Act 1995* Section 5.54(2) requires that if the Annual Report is not accepted by the Local Government by 31 December, then it must be presented within two months of the Auditors report becoming available.

Comment

The completion of the audit report confirms all figures for the 2024/25 year, including the carried forward position as of 30 June 2025.

The audit management report has made three findings and recommendations as detailed below:

- The Shire's cybersecurity and IT governance framework identified control weaknesses and deficiencies in policy, strategy, and operational practices.
Recommend the Shire:
 - Develop and implement a comprehensive Cybersecurity Framework, including formal policies and procedures.
 - Establish a formal change management policy to govern IT system modifications.
 - Develop an IT strategy aligned with the Shire's operational and strategic objectives.

- Conduct regular testing of the Disaster Recovery Plan to ensure business continuity.
 - Provide cybersecurity awareness training to all staff.
 - Develop and implement a cybersecurity incident response plan.
 - Schedule periodic vulnerability assessments and penetration testing.
 - Encrypt sensitive data at rest and in transit.
 - Implement controls to restrict and monitor Wi-Fi access.
- The Shire has an Investment Policy implemented in 2021. We noted no evidence indicating whether the investment policy is subject to regular review. Recommend that management review and update the investment policy to ensure it reflects current market practices, regulatory requirements, and the Shire's strategic objectives. Regular reviews should be scheduled to maintain its relevance and effectiveness.
 - Audit procedures identified two employees who had accrued more than eight weeks annual leave as of 30 June 2025. We understand from discussions with the Shire, that this is due to staff changeover and new staff settling into their positions. The finding was first identified in 2024. Recommend the Shire should continue to monitor employee leave balances and actively establish leave management policies or procedures for staff with a review to clearing these large and long outstanding leave balances.

Legislative Compliance:

The Shire identifies applicable legislation and keeps track of amendments to such legislation.

Legal Implications

Local Government Act 1995

Section 5.53 Annual Reports

Section 5.54 Acceptance of Annual Reports

Section 5.55 Notice of Annual Reports

Section 5.55A Publication of Annual Reports

Policy Implications

Nil

Consultation

Chief Executive Officer – Alan George
Deputy Chief Executive Officer – Aaron Wooldridge
Manager Corporate Services – Tegan Hall
AMD (contract Auditors appointed by OAG)
Office of Auditor

Financial Implications

Nil

Strategic Implications

This item aligns with Aspire 2033 - Shire of Lake Grace Strategic Community Plan

| | | |
|---|-----|---|
| Leadership Objective - Strong governance and leadership, demonstrating fair and equitable community values | | |
| Outcome | 8 | A strategically focused, unified Council functioning efficiently |
| Strategies | 8.1 | Provide informed leadership on behalf of the community |
| | 8.2 | Promote and advocate for the community and district |
| | 8.3 | Provide strategic leadership and governance |
| | 8.4 | Provide timely communications on all Council activities to community |
| Outcome | 9 | An efficient and effective organisation |
| Strategies | 9.1 | Maintain accountability and financial responsibility through effective planning |
| | 9.2 | Comply with statutory and legislative requirements |
| | 9.3 | Provide a positive and safe workplace |
| | 9.4 | Establish and maintain community endorsed levels of service across all functions of Council |

Voting Requirements

Absolute Majority

RECOMMENDATION / RESOLUTION

RESOLUTION

Moved: Cr Hunt

Seconded: Cr Armstrong

That the Audit & Risk Committee:

1. Accept the Annual Financial Report for the 2024/2025 financial year in accordance with sections 5.53 and 5.54 of the *Local Government Act 1995*;
2. Authorise the Chief Executive Officer to give local public notice of the availability of the Shire of Lake Grace 2024/25 Annual Report from Friday 19 December 2025, in accordance with Section 5.55 of the *Local Government Act 1995*.

CARRIED 5/0

For: Mr P Stoffberg, Cr S Hunt, Cr LW Armstrong, Cr R Lloyd, Cr Hyde

Against:

11.0 CLOSURE

There being no further business, the Presiding Member closed the meeting at 3.04 pm.

12.0 CERTIFICATION

I, Peter Stoffberg, certify that the minutes of the meeting held on Wednesday 17 December 2025 as shown were confirmed as true and accurate record of the meeting

Signature

Date