



SHIRE OF KONDININ
MINUTES OF MEETING
an Audit Risk and Improvement
Committee Meeting
ALL OPEN AND CONFIDENTIAL ITEMS
Audit Risk and Improvement Committee
Meeting

Held at the Hyden Community Resource Centre on 10 February 2026

This page is intentionally left blank.

Order of Business

1	Opening of Meeting	4
2	Acknowledgement of Traditional Owners and Dignitaries	4
3	Recording of Attendance	4
3.1	Attendance	4
3.2	Attendance by Telephone or Instantaneous Communication	4
3.3	Apologies	4
3.4	Approved Leave of Absence	4
3.5	Declarations of Disclosures of Interest	4
4	Application for Leave of Absence	4
5	Public Time	5
5.1	Public Question Time	5
5.2	Public Statement Time	5
6	Questions from Members without Notice	5
7	Announcements by Presiding Members without Discussion	5
8	Declaration of Members to have Given due Consideration to all Matters Contained in the Agenda Before the Meeting	5
9	Confirmation of Minutes of Previous Meetings	5
10	Reports of Officers	6
10.1	Corporate Services	6
10.1.1	Budget Review Report	6
10.2	Chief Executive Officer	10
10.2.1	Audit, Risk & Improvement Committee - Workplan Update	10
11	Business of an Urgent Nature	14
12	Close of Meeting	14
12.1	Date of Next Meeting	14
12.2	Closure	14

1 OPENING OF MEETING

The Presiding Member opened the meeting at 9.01am

2 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS AND DIGNITARIES

The CEO acknowledged the traditional owners of the land upon which we meet and acknowledged elders past, present and emerging.

3 RECORDING OF ATTENDANCE

3.1 ATTENDANCE

C Mayfield (Presiding Member), T Utley (Deputy Presiding Member), Cr B Gangell
Cr D Pool Councillor, Cr M James Councillor, Staff B Wright, Staff V Bugna Manager Corporate Services

3.2 ATTENDANCE BY TELEPHONE OR INSTANTANEOUS COMMUNICATION

MOTION

COMMITTEE RESOLUTION ARIC/26/001

Moved: Cr Darren Pool

Seconded: Mrs Tracey Utley

That the Committee approves Councillor Gangell attending this meeting by electronic means (phone).

CARRIED 5/0

For: Crs Catherine Mayfield, Tracey Utley, Darren Pool, Beverley Gangell and Murray James

Against: Nil

3.3 APOLOGIES

Nil

3.4 APPROVED LEAVE OF ABSENCE

Nil

3.5 DECLARATIONS OF DISCLOSURES OF INTEREST

Nil

4 APPLICATION FOR LEAVE OF ABSENCE

Nil

5 PUBLIC TIME

5.1 PUBLIC QUESTION TIME

Nil

5.2 PUBLIC STATEMENT TIME

Nil

6 QUESTIONS FROM MEMBERS WITHOUT NOTICE

Nil

7 ANNOUNCEMENTS BY PRESIDING MEMBERS WITHOUT DISCUSSION

Nil

8 DECLARATION OF MEMBERS TO HAVE GIVEN DUE CONSIDERATION TO ALL MATTERS CONTAINED IN THE AGENDA BEFORE THE MEETING

Committee members declare same

9 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

COMMITTEE RESOLUTION ARIC/26/002

Moved: Cr Beverley Gangell

Seconded: Mrs Catherine Mayfield

That the minutes of the Audit Risk and Improvement Committee Meeting of 10 December 2025 copies of which were previously circulated, are hereby confirmed as a true and correct record of the proceedings of that meeting.

CARRIED 5/0

For: Crs Catherine Mayfield, Tracey Utley, Darren Pool, Beverley Gangell and Murray James

Against: Nil

10 REPORTS OF OFFICERS

10.1 CORPORATE SERVICES

10.1.1 Budget Review Report

FILE NUMBER:

DATE: 6 February 2026

AUTHOR: Vince Bugna, Manager Corporate Services

AUTHORISED OFFICER: Bruce Wright, Chief Executive Officer

DISCLOSURE OF INTEREST: Author - Nil

Authoriser - Nil

ATTACHMENTS: 1. 2025-2026 - Q2 Budget Review Report - *Under Separate Cover*
[⇒](#)

RECOMMENDATION

That the Audit Risk and Improvement Committee:

1. Endorses the 2025/26 Budget Review Report conducted for the six (6) months period ended 31st December 2025 for submission to the Department of Local Government.
2. Endorses the CEO to amend the 2025/26 budget in accordance with the attached “Budget Review Report” for the period ended 31st December 2025.

SUMMARY

To present to the Audit, Risk & Improvement Committee the Mid-Year 2025/26 Budget Review Report for the period ended 31st December 2025.

VOTING REQUIREMENT

Absolute Majority

COUNCIL’S ROLE

Executive

The substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

BACKGROUND

Under the *Local Government (Financial Management) Regulations 1996*, each local government has to carry out a budget review of its current year budget mid financial year and make the necessary adjustments in the interest of achieving a surplus or balanced budget at the end of its financial year.

The Shire’s Manager of Corporate Services conducted the review together with the CEO and Acting Manager of Works discussed the budget review amendments contained in note 4 of the 2025/26

Budget Review Report.

The amounts included are as follows:

Note	Description	Amount
4.1	Decrease in rates revenue due to property valuation update after the 2025/26 budget was adopted by Council.	(\$30,986)
4.2	Decrease in fees and charges due to Medical Centre management changeover in November 2025.	(\$148,949)
4.3	Decrease in interest revenue (net of cash reserves and investment term deposits). Budget estimates higher than the actual bank interest rates.	(\$7,585)
4.4	Increase in other revenue from insurance reimbursements/claimed not originally included in the 2025/26 budget estimates.	\$35,572
4.5	Adjustment of projected employee costs (medical centre staff) due to management changeover in November 2025.	\$95,190
4.6	Adjustment in materials and contracts from GP Locum costs due to management changeover.	\$108,444
4.7	Decrease in cash due to insurance coverage (added) for risk management program and workers compensation adjustment.	(\$25,115)
4.8	Additional capital grants provided for roads construction at the nearby mining and windfarm projects.	\$1,944,242
4.9	Increase in cash from Land and Buildings (staff house construction, Kondinin) due to progress payment made at the end of last financial year not included in the adopted 2025/26 budget.	\$46,290
4.10	Decrease in cash for the purchase of plant and equipment per fleet replacement amendment, item 9.3.1 December 2025 OCM.	(\$145,000)
4.11	Decrease in cash for additional roads construction (grant funded) per note 4.8 above.	(\$1,937,224)
4.12	Budget amendment per Council resolution 4651 plus grant funded water tanks for community standpipes .	(\$34,276)
4.13	Transfer from plant replacement cash reserve to cover purchase/replacement of plant per note 4.10 above.	\$145,000
4.14	Transfer to reserves interest earned on cash reserves term deposits (restricted).	(\$16,639)
4.15	Overall change – projected surplus due to variances described above.	\$28,965

FINANCIAL

Regulatory requirements

RISK

Financial & compliance

POLICY

There are no direct policy implications in relation to this report.

STATUTORY

Regulation 33A of the Local Government (Financial Management) Regulation 1996 requires:

- (1) Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.
- (2A) The review of an annual budget for a financial year must —

- (a) consider the local government’s financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and
 - (b) consider the local government’s financial position as at the date of the review; and
 - (c) review the outcomes for the end of that financial year that are forecast in the budget.
 - (d) include the following –
 - (i) the annual budget adopted by the local government;
 - (ii) an update of each of the estimates included in the budget;
 - (iii) the actual amounts of expenditure, revenue and income as at the date of the review;
 - (iv) adjacent to each item in the annual budget adopted by the local government that states an amount, the estimated end of year amount for the item.
- (2) The review of an annual budget for the financial year must be submitted to the council on or before 31 March in the financial year.
- (3) A council is to consider a review submitted to it and is to determine* whether or not to adopt the review, any parts of the review or any recommendations made in the review.
*Absolute majority required.
- (4) Within 14 days after a council has made the determination, a copy of the review and determination is to be provided to the Department.
Section 6.8(1) (b) of the *Local Government Act 1995* provides that expenditure can be incurred when not included in the annual budget provided it is authorised in advance by resolution (absolute majority required).

STRATEGIC

Theme

4. CIVIC LEADERSHIP

Goal

4.1 Skilled, capable and transparent team

Strategy

4.1.5 The capability of our organisation is continually improved

COMMENT

The half yearly budget review is a statutory requirement.

CONSULTATION

CEO, Managers

COMMITTEE RESOLUTION ARIC/26/003

Moved: Cr Darren Pool

Seconded: Cr Murray James

That the Audit Risk and Improvement Committee:

1. Endorses the 2025/26 Budget Review Report conducted for the six (6) months period ended 31st December 2025 for submission to the Department of Local Government.
2. Endorses the CEO to amend the 2025/26 budget in accordance with the attached “Budget Review Report” for the period ended 31st December 2025.

CARRIED 5/0 BY ABSOLUTE MAJORITY

For: Crs Catherine Mayfield, Tracey Utley, Darren Pool, Beverley Gangell and Murray James

Against: Nil

The Committee discussed the Medical Centre and Medical Practitioner costs. Original allocations were made in the operating budget for the former provider. Under the current arrangements a management fee of \$250k is paid by the Shire along with a vehicle, housing and office space. Previous arrangements saw the medical centre revenues credited to the Shire and these have now ceased.

Further discussion focussed on the road adjustments, this is in part due to grant allocations and subsequent adjustments being made.

Kondinin house construction and \$500k allocated to Hyden for the construction of housing.

Insurance claims relate to various works to vehicles and is considered as a consequence of operating a large fleet in regional areas.

Rates decreases following a Landgate revaluation and adjustment.

10.2 CHIEF EXECUTIVE OFFICER

10.2.1 Audit, Risk & Improvement Committee - Workplan Update

FILE NUMBER:**DATE:**

7 February 2026

AUTHOR:

Bruce Wright, Chief Executive Officer

AUTHORISED OFFICER:

Bruce Wright, Chief Executive Officer

DISCLOSURE OF INTEREST:

Author - Nil

Authoriser - Nil

ATTACHMENTS:

1. Draft Organisational Enhancement Program - *Confidential Under Separate Cover* [⇒](#)
2. LGIS - Cyber Security Review - *Confidential Under Separate Cover* [⇒](#)
3. Shire of Kondinin - Risk Management Plan 2019 - *Confidential Under Separate Cover* [⇒](#)

RECOMMENDATION

That Audit Risk and Improvement Committee:

1. Receives and endorses the Audit, Risk & Improvement Committee workplan update, and
2. Recommends Council endorsement of the Audit, Risk & Improvement Committee workplan update.

SUMMARY

The purpose of this report is to provide the Audit, Risk & Improvement Committee (ARIC) with an update of progress against the agreed ARIC Workplan.

VOTING REQUIREMENT

Simple Majority

COUNCIL'S ROLE**Executive**

The substantial direction setting and oversight role of the Council. E.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

BACKGROUND

At its inaugural meeting on 10 December 2025, the Shire of Kondinin ARIC endorsed a proposed workplan as a quarterly measure of Shire performance in five (5) key areas. This report details progress and activities against the workplan.

Financial Reporting and Audit

- **Mid-Year (Q2) Budget Review**

The Mid-Year (Q2) Budget Review is included under separate cover within this meeting agenda.

The 2025–2026 financial position is tracking well, with the review indicating a modest operating surplus.

- **Financial Forecast and Strategic Planning**

In accordance with the provisions of the Local Government Amendment Act 2024, the Shire will undertake a review of key financial and strategic documents, including the Long-Term Financial Plan, as part of preparation for the upcoming financial year and the development of the Council Plan. The Shire has commenced a Community Survey, which will inform planned community consultation activities scheduled for March 2026. Feedback gathered through this process will be collated and used to support forward planning for both capital works and operational budgets.

Risk Management

- **Business Continuity Plan (BCP)**

The development of the Shire’s Business Continuity Plan is currently underway, with a first draft scheduled to be presented at the next Audit, Risk and Improvement Committee meeting.

- **Risk Controls – Fraud and Corruption Prevention**

A review and redevelopment of procedures, with a specific focus on procurement, has commenced. It is anticipated that a revised policy and supporting documentation will be presented to the Committee at the next meeting. Existing operating protocols are currently being tested and refined to ensure they remain fit for purpose.

- **Cyber Risk and Information Security**

In late December 2025, the Shire received a LGIS Cyber Security Assessment, which is attached under confidential cover for reference. Consultation has occurred with the Shire’s ICT service provider regarding the development of an updated IT Strategy, with a draft also attached under confidential cover. The strategy has been informed by the LGIS assessment findings, with anticipated system improvements to be considered as part of the 2026–2027 budget process.

- **Internal Audit**

High-risk audit areas, including Procurement and Contract Management and IT Security, remain a priority. To strengthen governance, transparency and system security, the Shire has subscribed to VendorPanel, enabling improved management of requests for quotations, tenders and expressions of interest. The procurement module is supported by an integrated contract management module, improving oversight and consistency in contract administration.

Governance and Legislative Compliance

- **Compliance Audit Return (CAR)**

The submission deadline for the 2025 Annual Compliance Audit Return (CAR) has been extended to September 2026, following the implementation of the Local Government Amendment Act 2024.

- **Central Records Management**

A draft Records Management Policy has been submitted to State Records for review. While the policy broadly meets prescribed standards in principle, further refinement and amendments are required prior to presentation to the Committee at the next meeting.

- **Policy Framework**

The Shire’s Policy Manual was previously tabled before Council and set aside for further review.

A comprehensive review is underway, with the intent to update or replace existing policies, reclassify certain policies as Business Operating Procedures, and remove those no longer required. Priority has been given to key statutory policies, while ad hoc updates continue to ensure ongoing compliance with legislative requirements.

- **Continuous Improvement**

A functional review of the Administration has been completed and will be reported to Council at the March Ordinary Meeting. While this does not align with the ARIC meeting schedule, the Committee will be separately briefed on the outcomes. In addition, a draft Operational Enhancement Program has been developed and is attached under confidential cover for the Committee's information.

FINANCIAL

Nil.

RISK

Risk is under management in accordance with sectional headings.

POLICY

Nil

STATUTORY

Local Government Act 1995

STRATEGIC

Theme

4. CIVIC LEADERSHIP

Goal

4.2 We are a compliant and resourced Local Government

Strategy

4.2.1 External audits and reviews confirm compliance with relevant Local Government legislation

4.2.3 Strategic Resource Plan - ratios

4.2.2 Financial sustainability in achieving community aspirations

COMMENT

This report is designed to provide the Audit, Risk & Improvement Committee an update of current activities that relate to the agreed ARIC workplan.

CONSULTATION

Nil

COMMITTEE RESOLUTION ARIC/26/004

Moved: Mrs Tracey Utley

Seconded: Cr Beverley Gangell

That Audit Risk and Improvement Committee:

1. Receives and endorses the Audit, Risk & Improvement Committee workplan update, and
2. Recommends Council endorsement of the Audit, Risk & Improvement Committee workplan update.

CARRIED 5/0

For: Crs Catherine Mayfield, Tracey Utley, Darren Pool, Beverley Gangell and Murray James

Against: Nil

Discussions relating to IT Security and the confidential report.

The Committee agreed that the workplan should be transferred into a spreadsheet to track and monitor updates.

Risk Strategy query on the plan being signed in 2019 – the risk assessment posture requires updating

Meeting schedule: 22 April, 9 June and 2 September.

11 BUSINESS OF AN URGENT NATURE

Nil

12 CLOSE OF MEETING

12.1 DATE OF NEXT MEETING

To be held at Hyden CRC at 9am on 22 April, 2026 .

12.2 CLOSURE

The Meeting closed at 9.45am.