

# AUDIT COMMITTEE MEETING

## AGENDA



For the Audit Committee Meeting to be held on

**17 December 2025**

Dear Audit Committee Member,

The next Audit Committee Meeting of the Shire of Cranbrook will be held on Wednesday 17 December 2025 at the Cranbrook Council Chambers commencing at 2.20pm.

A handwritten signature in black ink that reads 'L Gray'. The signature is written in a cursive style with a large, looped 'L' and a trailing 'y'.

Linda Gray  
Chief Executive Officer

## DISCLAIMER

This agenda has yet to be dealt with by the Audit Committee. The recommendations shown at the foot of each item have yet to be considered by the Audit Committee and are not to be interpreted as being the position of the Audit Committee. The minutes of the meeting held to discuss this agenda should be read to ascertain the decision of the Audit Committee.

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### Defamation – cl 14K Local Government (Administration) Regulations 1996

- (1) A local government is not liable to an action for defamation in relation to any of the following done by the local government as required or authorised under this Part —
- (a) publicly broadcasting a meeting;
  - (b) making a recording of a meeting;
  - (c) making a recording of a meeting publicly available;
  - (d) retaining a recording of a meeting or a copy of a recording;
  - (e) providing a copy of a recording of a meeting to the Departmental CEO.

Scope of Committee

An audit committee has the following functions —

- (a) to guide and assist the local government in carrying out —
  - (i) its functions under Part 6 of the Act; and
  - (ii) its functions relating to other audits and other matters related to financial management;
- (b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;
- (c) to review a report given to it by the CEO under regulation 17(3) (the **CEO's report**) and is to —
  - (i) report to the council the results of that review; and
  - (ii) give a copy of the CEO's report to the council;
- (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —
  - (i) regulation 17(1); and
  - (ii) the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;
- (f) to oversee the implementation of any action that the local government —
  - (i) is required to take by section 7.12A(3); and
  - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
  - (iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
  - (iv) has accepted should be taken following receipt of a report of a review conducted under the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);
- (g) to perform any other function conferred on the audit committee by these regulations or another written law.

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# AGENDA

## 1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Presiding Member, Cr Quick as Chairperson will declare the meeting open at \_\_\_\_\_pm. Cr Quick will alert the meeting to the procedures for emergencies including evacuation, designated exits and muster points.

## 2. ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

### 2.1 ATTENDANCE

Chairperson	Cr JA (Jen) Quick
Councillors	Cr P (Perin) Mulcahy
	Cr P (Peter) Denton
	Cr C (Chelsea) Lange
	Cr DM (Daisy) Egerton-Warburton
Chief Executive Officer	Ms LA (Linda) Gray
Manager of Finance	Ms C (Chelsea) Paterson
Community Development Manager	Mrs J (Jenny) Cristinelli
Executive Officer	Ms JL (Jo) Scott

Members of the Public

### 2.2 APOLOGIES

Cr G (George) Pollard  
Cr RW (Robert) Johnson

## 3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

### 3.1 AUDIT COMMITTEE MEETING – 26 November 2025

**That the minutes from the Audit Committee Meeting held on 26 November 2025, be confirmed as a true and correct record.**

#### 4. GENERAL BUSINESS

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##### 4.1 POLICY AMENDMENT – 4.15 FINANCIAL HARDSHIP

<b>RESPONSIBLE OFFICER:</b>	Linda Gray – Chief Executive Officer
<b>REPORT AUTHOR:</b>	Jo Scott – Executive Officer
<b>FILE REFERENCE:</b>	GO17
<b>APPLICANT:</b>	N/A
<b>DATE OF REPORT:</b>	5 December 2025
<b>ATTACHMENTS:</b>	Policy 4.15 Financial Hardship

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##### **Purpose**

The purpose of this report is for the Audit Committee to consider approving the amendments to the attached policy 4.15 Financial Hardship.

##### **Background**

Property rates are raised in August of each year with full payment due within 35 days. The Shire also offers either two or four instalment options spread out over the year.

For many years, payment arrangements have been offered to ratepayers who are unable to pay their rates either in full or by the instalment options that are made available. This policy includes the application process or any criteria to guide staff when making decisions on payment arrangements and escalated actions when rates are unpaid.

However, the policy negates the process for actions to be taken against land with unpaid rates. Failure to pay council property rates can result in accumulating interest charges, formal debt collection processes, court action, and, as a last resort, the sale of property by the Local government to recover the unpaid amount. Under the section Debt Recovery the following dot point has been added.

- Subdivision 6 of the *Local Government Act 1995* details requirements to be met and the processes to be undertaken for actions against land where rates or services charges are unpaid.

##### **Officer's Comment**

Local governments in Western Australia engage with ratepayers from a wide range of backgrounds and circumstances. Some ratepayers may be in situations of vulnerability and the Shire recognises that some ratepayers will experience financial hardship from time to time.

A person in a situation of vulnerability may have low income or, as a result of their circumstances, be experiencing a financial shock, leading to difficulties in paying rates by the due date. This can take the form of 'payment difficulties' or 'financial hardship'.

Payment difficulties can be defined as:

- a state of **immediate** financial disadvantage that results in being unable to pay an outstanding amount ... by reason of a *change in personal circumstances*.

Financial hardship can be defined as:

- a state of **more than immediate** financial disadvantage which results in being unable to pay an outstanding amount without affecting the ability to meet *basic living needs*

Payment difficulties therefore reflect short term financial constraints while financial hardship may reflect financial constraints with longer term or broader implications. It is important to note that in both cases, there is willingness to pay, but an inability to do so.

This policy is designed to assist staff in making decisions regarding offering alternative payment arrangements for those experiencing difficulties. It is not designed to inform the collection of rates from people who are able, but unwilling, to pay their rates in accordance with their obligations under the *Local Government Act*.

### **Statutory Environment**

**Section 6.64 of the *Local Government Act 1995***, states: if any rates or service charges remain unpaid for at least three years, the Council has the power to take possession of the land and sell it to recover the outstanding rates, interest, and associated costs.

Local Government (Financial Management) Regulations 1996

### **Policy Applicable – Implications**

This report refers to Council Policy 4.15.

### **Financial Implications**

It is not anticipated that the adoption of the Officer's recommendation will have a large financial impact, as it is merely formalising the arrangements that are currently in place.

### **Risk Implications**

The risks associated with matters in this report are:

- Business and Community Disruption
- Errors, Omissions and Delays
- Failure to fulfil Statutory, Regulatory or Compliance Requirements
- Inadequate Engagement Practices

The **impact** of the risk is Financial and Reputational

The **consequences** of these risks are considered to be Moderate

The **likelihood** is Likely

Hence the **risk rating** for this item is High

Risk mitigation includes having a fair and equitable policy in place to guide staff when making decisions

### **Strategic Community Plan Reference**

**Outcome 16 – High Performing Shire:** An accountable and respected Shire, investing in its people and structures.

**Deliverable 16.1:** A Shire and supporting entities are well-governed with delineated roles and accountabilities.

### **Consultation**

No consultation was required for this report.

### **Voting Requirements**

Simple Majority

### **OFFICER'S RECOMMENDATION**

**That the Audit Committee recommends that Council approve the amendments to the attached Policy 4.15 Financial Hardship.**

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<b>4.2</b>	<b>NEW POLICY 5.5 WORKS – URBAN AND RURAL CROSSOVERS AND AMENDED POLICY 5.0 WORKS – ROAD MANAGEMENT</b>
<b>RESPONSIBLE OFFICER:</b>	Linda Gray – Chief Executive Officer
<b>REPORT AUTHOR:</b>	Stevie Egerton-Warburton – A/Manager of Works
<b>FILE REFERENCE:</b>	GO17
<b>APPLICANT:</b>	N/A
<b>DATE OF REPORT:</b>	7 November 2025
<b>ATTACHMENTS:</b>	1. Policy 5.0 Works – Road Management 2. New Policy 5.5 Works – Urban and Rural Crossovers

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### **Purpose**

The purpose of this report is for the Audit Committee to consider adopting the attached new Policy 5.5 Works – Urban and Rural Crossovers, and approving amendments to existing Policy 5.0 Works – Road Management.

### **Background**

This agenda item was deferred by Council from Ordinary Meeting held 26 November 2025 as Council had several queries relating to maintenance and clearing of road reserves.

Currently, crossovers are regulated under Policy 5.0 – Works: Road Management. However, recent applications for new crossover approvals have highlighted the need for a standalone policy that addresses both urban and rural requirements.

### **Officer’s Comment**

The Shire aims to improve budgeting for crossover subsidies by capping contributions, streamlining the approval process, and ensuring that all crossovers within the road reserve meet minimum construction standards.

Currently there is no formal process and crossover approvals are worked through on a case-by-case basis, taking up Officer time. This Policy will ensure that construction of crossovers are assessed against a minimum standard set by the Shire in accordance with industry standards.

It is to be noted by Council that this policy does not relate to clearing within Shire road reserves and clearing sits outside this policy. Any clearing within road reserves is to be directed to the Department of Water and Environmental Regulation (DWER).

Amendments made to Policy 5.0 Road Management consist of the removal of point 5. Crossovers (Property Entrance), no other amendments have been made.

### **Statutory Environment**

Local Government Act 1995  
Main Roads Standards and Guidelines  
Austroads Guide to Road Design

### **Policy Applicable – Implications**

This report is recommending adoption of a new Council Policy and subsequent changes to 5.0 Works – Road Management.

### **Financial Implications**

There are no additional financial implications for this report.

### **Risk Implications**

The risks associated with matters in this report are:

- Business and Community Disruption
- Failure to fulfil Statutory, Regulatory or Compliance Requirements

The **impacts** of the risk are: Service Interruption, Non-Compliance, Property and Natural Environment

The **consequences** of these risks are considered to be: Minor

The **likelihood** is: Unlikely

Hence the **risk rating** for this report is: Low

Risk mitigation included referencing relevant industry standards.

### **Strategic Community Plan Reference**

The 2021-2031 Shire of Cranbrook, Strategic Community Plan states that:

#### **Key Pillar: Connect**

**Outcome 16 – High Performing Shire:** An accountable and respected Shire, investing in its people and structures.

**Deliverable 16.1:** A Shire and supporting entities are well-governed with delineated roles and accountabilities.

### **Consultation**

Consultation for this report included other Local Governments, EMT and Council.

### **Voting Requirements**

Simple Majority

### **OFFICER'S RECOMMENDATION**

**That the Audit Committee recommends that Council:**

- 1 approve the revision of Policy 5.0 Works – Road Management to exclude point 5. Crossovers (Property Entrance); and**
- 2 adopt New Policy 5.5 Works – Urban and Rural Crossovers, as attached.**

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**4.3 POLICY AMENDMENT – POLICY 4.19 RATING STRATEGY**

**RESPONSIBLE OFFICER:** Linda Gray – Chief Executive Officer  
**REPORT AUTHOR:** Chelsea Paterson – Manager of Finance  
**FILE REFERENCE:** GO17  
**APPLICANT:** N/A  
**DATE OF REPORT:** 11 December 2025  
**ATTACHMENTS:** Addition to Policy 4.19 – Rating Strategy

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**Purpose**

The purpose of this report is for the Audit Committee to approve the amendment of Policy 4.19 – Rating Strategy to reflect the Council’s decision made in August 2025 of not granting a discount or incentive for the early payment of rates, the payment of 5% of the early payments to a reserve account and the review of the decision in 2027.

**Background**

The rating strategy establishes a framework by which a fair and equitable share of rates and charges are paid by property owners, for the services and infrastructure within the Shire of Cranbrook. It also considers the current and future funding requirements required to meet the specific needs of certain areas within the Shire, as well as the long-term plans and aspirations of the Council and community. It has now become a requirement under the Local Government Reform, and should be updated with any changes or additions that reflect on a local government’s management of its rate base.

**Officer’s Comment**

The review of the Council’s decision to not grant a discount or incentive for the early payment of rates was made at the Council Meeting in August 2025, as it had not been reviewed since the 2013/14 Financial Year. It was agreed that it needed to be reviewed more consistently. The funds saved from non payment of a discount was utilised to fund improvements to existing and new community facilities and were included in a reserve account (Community Facilities Upgrade Reserve) but there was no consistent percentage or calculation defined.

This practice was not included in the Shire’s Policy 4.19 Rating Strategy. Therefore, an amendment to the policy must include:

- The Shire does not offer any discount for the early payment of rates, and
- This practice must be reviewed by Council in 2027, and
- The amount that would normally be offered as discount for early payment and be transferred to a reserve account (Community Facilities Upgrade Reserve) should be assessed at 5% of the total rates raised excluding ex gratia rates.

**Statutory Environment**

Nil

**Policy Applicable – Implications**

Council Policy 4.19 – Rating Strategy.

**Financial Implications**

There are no financial implications for this report.

### **Risk Implications**

The risks associated with matters in this report are:

- Errors, Omissions and Delays
- Failure to fulfil Statutory, Regulatory or Compliance Requirements

The **impacts** of the risk are: Non-Compliance,

The **consequences** of these risks are considered to be: Insignificant

The **likelihood** is: Rare

Hence the **risk rating** for this report is: Low

### **Strategic Community Plan Reference**

The 2021-2031 Shire of Cranbrook, Strategic Community Plan states that:

#### **Key Pillar: Connect**

**Outcome 16 – High Performing Shire:** An accountable and respected Shire, investing in its people and structures.

**Deliverable 16.1:** A Shire and supporting entities are well-governed with delineated roles and accountabilities.

### **Consultation**

No consultation was required for this report.

### **Voting Requirements**

Simple Majority

### **OFFICER'S RECOMMENDATION**

**That the Audit and Risk Committee recommend that the Council adopt the addition to Policy 4.19 – Rating Strategy as follows:**

- **The Shire does not offer any discount for the early payment of rates, and**
- **This practice must be reviewed by Council in 2027, and**
- **The amount that would normally be offered as discount for early payment and be transferred to a reserve account (Community Facilities Upgrade Reserve) should be assessed at 5% of the total rates raised excluding ex gratia rates.**

**5. CLOSURE OF MEETING**

There being no further business to discuss the Chairperson, Cr XXXX will declare the meeting closed at \_\_\_\_\_pm.