

AUDIT COMMITTEE MEETING

MINUTES



For the Audit Committee Meeting held on

26 November 2025

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Recording of Meetings

- All Council Meetings are digitally recorded, for audio only, except for Confidential Agenda Items (in accordance with Section 5.23(2) of the *Local Government Act 1995*) during which time recording ceases.
- Following publication and distribution of the meeting minutes to Council Members the digital audio recording will be available on the Shire's website.

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.

CONTENTS

1.	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS.....	5
2.	ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE	5
2.1	ATTENDANCE	5
2.2	APOLOGIES.....	5
3.	CONFIRMATION OF MINUTES OF PREVIOUS MEETING.....	5
3.1	AUDIT COMMITTEE MEETING – 21 May 2025.....	5
4.	GENERAL BUSINESS.....	6
4.1	POLICY REVIEW – POLICY 1.5 ELECTED MEMBER INDUCTION AND CONTINUED PROFESSIONAL DEVELOPMENT.....	6
4.2	NEW POLICY 5.5 WORKS – URBAN AND RURAL CROSSOVERS AND AMENDED POLICY 5.0 WORKS ... – ROAD MANAGEMENT	8
4.3	ANNUAL REPORT 2024/2025	10
5.	CLOSURE OF MEETING	12

MINUTES

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Presiding Member, Cr Quick as Chairperson declared the meeting open at 2.41pm. Cr Quick alerted 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 RW (Robert) Johnson
	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
Executive Officer	Ms JL (Jo) Scott
Chief Financial Officer	Ms K (Kerry) Fisher
Community Development Manager	Mrs J (Jenny) Cristinelli

Members of the Public	Nil
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2.2 APOLOGIES

Councillor	Cr G (George) Pollard
Acting Manager of Works	Mrs S (Stevie) Egerton-Warburton

3. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

3.1 AUDIT COMMITTEE MEETING – 21 May 2025

Moved Cr Denton, seconded Cr Mulcahy that the minutes from the Audit Committee Meeting held on 21 May 2025, be confirmed as a true and correct record.

CARRIED 6/0

FOR: Cr J Quick, Cr P Denton, Cr R Johnson,
Cr D Egerton-Warburton, Cr C Lange, Cr P Mulcahy

AGAINST: Nil

4. GENERAL BUSINESS

4.1	POLICY REVIEW – POLICY 1.5 ELECTED MEMBER INDUCTION AND CONTINUED PROFESSIONAL DEVELOPMENT
RESPONSIBLE OFFICER:	Linda Gray – Chief Executive Officer
REPORT AUTHOR:	Jo Scott – Executive Officer
FILE REFERENCE:	GO17
APPLICANT:	N/A
DATE OF REPORT:	17 November 2025
ATTACHMENTS:	Policy 1.5 – Elected Member Induction and Continued Professional Development

Purpose

The purpose of this report is for the Audit and Risk Committee to consider approving reviewed Policy 1.5 – Elected Member Induction and Continued Professional Development.

Background

The Local Government Act 1995 states:

- (1) A local government must prepare and adopt* a policy in relation to the continuing professional development of council members. * Absolute majority required.*
- (2) A local government may amend* the policy. * Absolute majority required.*
- (3) When preparing the policy or an amendment to the policy, the local government must comply with any prescribed requirements relating to the form or content of a policy under this section.*
- (4) The CEO must publish an up-to-date version of the policy on the local government’s official website.*
- (5) A local government –
 - (a) must review the policy after each ordinary election; and*
 - (b) may review the policy at any other time.**

Officer’s Comment

The ordinary Local Government Elections were held on 18 October 2025, the Shire of Cranbrook was not required to hold an election due to receiving the same number of nominations as vacancies.

Statutory Environment

Section 5.128 of the of the Local Government Act 1995 states that:

- (5) A local government –
 - (a) must review the policy after each ordinary election; and*
 - (b) may review the policy at any other time.**

Policy Applicable – Implications

Council Policy 1.5 applies to this report.

Financial Implications

There are no financial implications for this report.

Risk Implications

The risks associated with matters in this report are:

- 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: Minor

The **likelihood** is: Rare

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

Risk mitigation includes reviewing Council Policy 1.5 after each Local Government Election and Annually as a part of the Policy Manual review.

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 was not required for this report.

Voting Requirements

Absolute Majority

OFFICER'S RECOMMENDATION/AUDIT COMMITTEE DECISION

Moved Cr Egerton-Warburton, seconded Cr Mulcahy that the Audit and Risk Committee recommends that Council approve reviewed Policy 1.5 Elected Member Induction and Continued Professional Development.

CARRIED 6/0

FOR: Cr J Quick, Cr P Denton, Cr R Johnson,
Cr D Egerton-Warburton, Cr C Lange, Cr P Mulcahy

AGAINST: Nil

By Absolute Majority

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

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 19 March 2025 meeting as there were a number of 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:

There is no reference to this report in the Council's Strategic Community Plan.

Consultation

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

Voting Requirements

Simple Majority

OFFICER'S RECOMMENDATION

Moved Cr Egerton-Warburton, seconded Cr Denton 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.**

AUDIT COMMITTEE DECISION

Moved Cr Egerton-Warburton, seconded Cr Denton that the item be deferred to the December Audit Committee Meeting.

CARRIED 6/0

FOR: Cr J Quick, Cr P Denton, Cr R Johnson,
Cr D Egerton-Warburton, Cr C Lange, Cr P Mulcahy

AGAINST: Nil

4.3	ANNUAL REPORT 2024/2025
RESPONSIBLE OFFICER:	Chelsea Paterson – Manager of Finance
REPORT AUTHOR:	Chelsea Paterson – Manager of Finance
FILE REFERENCE:	AD4/GO4
APPLICANT:	N/A
DATE OF REPORT:	19 November 2025
ATTACHMENTS:	1. Report to Audit Committee 2. 2024/2025 Annual Report

Purpose

The purpose of this report is for the Audit Committee to consider accepting the 2024/2025 Shire of Cranbrook Annual Report and to set a date for the Annual Electors Meeting.

Background

The Annual Report has been prepared in accordance with the *Local Government Act 1995*, associated regulations, and is attached to this report.

Officer’s Comment

The final audited financial statements have been received from the auditor, and the formal audit exit meeting was held on 7 November 2025. In attendance at this meeting (via virtual meeting) was:

- Ms Subha Gunalan, Director Financial Audit, Office of the Auditor General;
- Mr Chris Martain, Auditor, Lincolns;
- Mr Thomas Warner, Partner, Lincolns;
- Ms Linda Gray, Chief Executive Officer;
- Ms Kerry Fisher, Chief Financial Officer and
- Miss Chelsea Paterson, Manager of Finance.

During this meeting, Mr Martain discussed the report to the audit committee for the year ended 30 June 2025, which included:

- Audit Report – the audit report had an unqualified opinion.
- Management Letter Findings – 1 Minor finding being for the Review of rates & assumptions for provision for waste rehabilitation sites.
- Uncorrected Audit Misstatements – Nil
- Corrected Audit Misstatements – There were 3 Corrected Audit Misstatements, these were in relation to Grant Income received for Roads to Recovery, Year End accrual adjustments and an error in CPI and discount rates applied to Waste Site Provision.
- Issues for next year’s audit –
 1. AASB 18 Presentation and Disclosure in Financial Statements, which will replace AASB 101 for not-for-profit public-sector entities from reporting periods beginning on or after 1 January 2028.
 2. From 1 July 2026, employers will be required to pay employees’ superannuation contributions at the same time as salary and wages are paid, rather than quarterly.

Following the formal audit exit meeting, the Office of the Auditor General released the independent auditors’ reports (included in the Annual Report document).

When considering the timing requirements to hold the annual electors’ meeting described below in Statutory Environment, if the Annual Report is accepted today, the meeting needs to be held between 26 November 2025 and 21st January 2026.

Statutory Environment

The *Local Government Act 1995* requires the Council to accept the Annual Report by 31 December each year unless the audit report is not available. If unable to be accepted by 31 December in any given year, then Council must accept the report within two (2) months of the audit report becoming available. The annual meeting of electors must then be held within fifty-six (56) days of Council accepting the Annual Report. A minimum of fourteen days local public notice is required of the date, time, place, and purpose of the meeting.

Policy Applicable – Implications

Council Policy 1.1 'Electors Meeting' states:

'The Annual Electors' meeting will be held within 56 days of receiving the Annual Financial Report. The annual electors' meeting venue will alternate between the Cranbrook and Frankland River town-sites as follows;

2024/2025 Annual Report	Frankland River
2025/2026 Annual Report	Cranbrook
2026/2027 Annual Report	Frankland River
2027/2028 Annual Report	Cranbrook

The previous Annual Electors Meeting was held on 20 November 2024 in Cranbrook.

The time and date proposed for the Electors Meeting is Wednesday, 17 December 2025 at 5pm. It is recommended that the location of the Electors Meeting be changed to Cranbrook this year, this will fall in line with the scheduled December Ordinary Council Meeting in Cranbrook and will enable both meetings to be held on the same date in the same location.

Electors are required to provide the Chief Executive Officer with their questions in writing no later than one week prior to the Annual Electors Meeting to enable staff to research the matter if required.

Financial Implications

There are no financial implications for this report. The Annual Report contains the annual financial statements for 2024/2025, illustrating the Council's financial performance for this period.

Risk Implications

The risks associated with matters in this report are:

- Misconduct
- Errors, Omissions and Delays
- Failure of IT and or Communication Systems and Infrastructure
- Failure to fulfil Statutory, Regulatory or Compliance Requirements
- Inadequate Document Management Processes
- Ineffective Employment Practices

The **impacts** of the risk are: Financial, Reputational.

The **consequences** of these risks are considered to be: Extreme.

The **likelihood** is: Unlikely

Hence the **risk rating** for this report is: High.

Risk mitigation includes ensuring staff have appropriate skills, training and security access levels for financial transactions, and by implementing recommendations from the auditor.

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 was not required for this report.

Chief Executive Officer, Linda Gray congratulated the Finance team on the completion of the Annual Report.

Voting Requirements

Absolute Majority

OFFICER'S RECOMMENDATION/AUDIT COMMITTEE DECISION

Moved Cr Mulcahy, seconded Cr Egerton-Warburton that the Audit Committee recommends to the Council:

1. Accept the attached 2024/2025 Shire of Cranbrook Annual Report;
2. Approve the change on location from Frankland River to Cranbrook for the Electors Meeting as set out in Policy 1.1 'Electors Meetings'; and
3. Approve the date for the Electors Meeting be held on Wednesday, 17 December 2025 at 5pm in the Cranbrook Council Chambers.

CARRIED 6/0

FOR: Cr J Quick, Cr P Denton, Cr R Johnson,
Cr D Egerton-Warburton, Cr C Lange, Cr P Mulcahy

AGAINST: Nil

By Absolute Majority

5. CLOSURE OF MEETING

There being no further business to discuss the Chairperson, Cr Quick declared the meeting closed at 2.46pm.