24 AUGUST 2026

Shire of Esperance

25 AUGUST 2026

SUPPLEMENTARY ITEMS

16. URGENT BUSINESS APPROVED BY DECISION

Item: 16.1

Audit, Risk and Improvement Committee Membership

Author/s	Felicity Baxter	Director Corporate & Community Services
Authorisor/s	Roy Greive	Acting Chief Executive Officer

File Ref: D26/25350

Applicant
Internal

Location/Address
N/A

Executive Summary
For Council to consider accepting the resignation of Cr Obourne from the Audit, Risk and Improvement Committee and appointing an alternate member.

Recommendation in Brief
That Council accept the resignation from Cr Obourne from the Audit, Risk and Improvement Committee and appoint Cr Harp as replacement member.

Background
At the Ordinary Council Meeting held on the 16 December, Cr Obourne was nominated to the Audit, Risk and Improvement Committee.

The Committee's Terms of Reference (Attachment A) have been included for your reference.

Officer's Comment
Cr Obourne has reconsidered her position on this Committee and advised officers that she wishes to resign (Attachment B). To retain the correct membership of the committee an alternate member should be appointed as no deputy was appointed to the committee.

It is understood that in place, Cr Harp is interested in being re-appointed to the committee (Attachment C).

Alternately, if another Councillor is interested in the position, Council should take this into consideration.

Consultation
Councillors Oborne, Harp and President Chambers

Asset Management Implications
Nil

Statutory Implications
Local Government Act 1995
Standing Orders Local Law 2015

Policy Implications
Nil

Strategic Implications
Council Plan 2022 – 2032
Performance - Outcome 10. Effective Governance and Partnerships
Objective 10.1. Provide transparent, accountable and effective leadership and resource management

Environmental Considerations
N/A

Attachments
A⇩. Audit, Risk and Improvement Committee - Terms of Reference
B⇩. Communication from Councillor Obourne
C⇩. Communication from Councillor Harp

Officer's Recommendation

That Council accept the resignation from Cr Obourne from the Audit, Risk and Improvement Committee and appoint Cr Harp as replacement member.

Voting Requirement Simple Majority

Audit, Risk and Improvement Committee

TERMS OF REFERENCE

Committee Type

Statutory Committee

Role

1. The primary objective of the Audit, Risk and Improvement committee is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.
2. Reports from the committee will assist Council in discharging its legislative responsibilities of controlling the local government's affairs, determining the local government's policies and overseeing the allocation of the local government's finances and resources. The committee will ensure openness in the local government's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the local government's financial accounting systems and compliance with legislation.
3. The committee is to facilitate –
   a. the enhancement of the credibility and objectivity of internal and external financial reporting;
   b. effective management of financial and other risks and the protection of Council assets;
   c. compliance with laws and regulations as well as use of best practice guidelines relative to auditing;
   d. the coordination of the internal audit function with the external audit; and
   e. the provision of an effective means of communication between the external auditor, internal auditor, the CEO and the Council.

Membership

<u>Committee Members</u>

- 4 Elected Members
- 2 external person

Presiding Member and Deputy Presiding Member positions will be filled by external persons.

External persons appointed to the committee will have business or financial management/reporting knowledge and experience and be conversant with financial and other reporting requirements.

A shared regional independent Chair will be appointed through the Shire's affiliation with the Goldfields Voluntary Regional Organisation of Councils (GVROC).

Appointment of Deputy Chair shall be made by Council by way of a public advertisement and be for a maximum term of two years. The terms of the appointment should be arranged to ensure an orderly rotation and continuity of membership despite changes to Council's elected representatives.

Ex-Officio Members

- Chief Executive Officer
- Shire employees as required

Executive Officer

- Director Corporate & Community Services

Term of Office

Membership of the Committee continues until the person no longer holds office by virtue of which the person became a member, the Committee is disbanded, or the next ordinary election; whichever happens first.

Quorum Requirements

A quorum is achieved by –

a) Attendance by the Presiding Member;
b) Attendance by the Executive Officer; and
c) Attendance by over 50% of the appointed voting members

Designated Powers & Duties

1. The committee is a formally appointed committee of council and is responsible to that body. The committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The committee does not have any management functions and cannot involve itself in management processes or procedures.
2. The committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.

The duties and responsibilities of the committee will be –

1. Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits;
2. Liaise with the appointed auditors of the Office of the Auditor General (OAG) on findings and recommendations of the external audits provided.
3. Meet with the auditor once in each year and provide a report to Council on the matters discussed and outcome of those discussions;
4. Liaise with the CEO to ensure that the local government does everything in its power to –

  a. assist the auditor to conduct the audit and carry out his or her other duties under the *Local Government Act 1995*; and
  b. ensure that audits are conducted successfully and expeditiously;
5. Examine the reports of the auditor after receiving a report from the CEO on the matters and –
  a. determine if any matters raised require action to be taken by the local government; and
  b. ensure that appropriate action is taken in respect of those matters;
6. Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time;
7. Review the scope of the audit plan and program and its effectiveness;
8. Review the appropriateness of special internal audit assignments undertaken by internal audit at the request of Council or CEO;
9. Review the level of resources allocated to internal audit and the scope of its authority;
10. Review reports of internal audits and by monitoring the implementation of recommendations made by the audit and reviewing the extent to which Council and management reacts to matters raised;
11. Facilitate liaison between the internal and external auditor to promote compatibility, to the extent appropriate, between their audit programs;
12. Review the local government's draft annual financial report, focusing on –
  a. accounting policies and practices;
  b. changes to accounting policies and practices;
  c. the process used in making significant accounting estimates;
  d. significant adjustments to the financial report (if any) arising from the audit process;
  e. compliance with accounting standards and other reporting requirements; and
  f. significant variances from prior years;
13. Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation;
14. Address issues brought to the attention of the committee, including responding to requests from Council for advice that are within the parameters of the committee's terms of reference;
15. Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference following authorisation from the Council;
16. Review the annual Compliance Audit Return and report to the Council the results of that review; and
17. Consider the CEO's biennial reviews of the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the committee, and report to the council the results of those reviews.

Reporting To

Ordinary Council

....End..

Document Information

Responsible Position	Chief Executive Officer
Meeting Frequency	As required

Referencing Documents

- *Local Government Act 1995*

Revision History

Date	Version	CM Reference	Reason for Change	Next Review
Oct 2023	1	D23/30039	Remove reference to signing financial report in point 16, Reword point 19 regarding the annual compliance audit return. Add point 20 for biennial reviews as required under Audit Regulation 17.	Oct 2025
Nov 2023	2	D23/30039[v2]	Remove points relating to auditor and replace with reference to OAG.	Oct 2025
Oct 2025	3	D23/30039[v3]	Biennial Review – update title to include Risk and Improvement. Adjust membership to 2 independent members and reference GVROC independent member as Chair.	Oct 2027

Felicity Baxter

From: Cr. Jennifer Obourne
Sent: Thursday, 20 August 2026 7:06 PM
To: Felicity Baxter; Cr. Gerry Harp
Cc: Pres. Ron Chambers; Roy Greive; Executive Services
Subject: RE: Audit Committee Membership

Hi Felicity,

Thank you for your email.

I can confirm my intention to step down from membership of the Audit and Risk Committee and support Cr Gerry Harp being appointed to the Committee in my place, should Council resolve to make that appointment.

While I am unable to attend in person next Tuesday, I am willing to join the Audit and Risk Committee meeting via Microsoft Teams if that would assist with attendance numbers or quorum requirements.

Thank you & best regards,

Cr. Jennifer Obourne
Deputy Shire President | Councillor Town Ward
0415 707 077 | esperance.wa.gov.au
77 Windich Street, Esperance, WA 6450 | PO Box 507

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From: Felicity Baxter <Felicity.Baxter@esperance.wa.gov.au>
Sent: Thursday, 20 August 2026 10:23 AM
To: Cr. Jennifer Obourne <Jennifer.Obourne@esperance.wa.gov.au>; Cr. Gerry Harp <Gerry.Harp@esperance.wa.gov.au>
Cc: Pres. Ron Chambers <Ron.Chambers@esperance.wa.gov.au>; Roy Greive <Roy.Greive@esperance.wa.gov.au>; Executive Services <ExecutiveServices@esperance.wa.gov.au>
Subject: Audit Committee Membership

Good morning Jen and Gerry

We have an Audit Committee meeting scheduled for next Tuesday (25th August) at 9am. Jen has indicated that she is an apology, Garry is on leave and I do not have a confirmation from Gemma. Fortunately, Ken Mills will be available [redacted]

[redacted]

Jen and Gerry would you please confirm your intentions in writing so that I may prepare this late item.

Thank you
Felicity

Felicity Baxter
Director Corporate and Community Services

(08) 9071 0693 **|** esperance.wa.gov.au
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Felicity Baxter

From:	Cr. Gerry Harp
Sent:	Friday, 21 August 2026 9:03 AM
To:	Felicity Baxter; Cr. Jennifer Obourne
Cc:	Pres. Ron Chambers; Roy Greive; Executive Services
Subject:	RE: Audit Committee Membership

Good morning,

I would like to confirm my intentions to join the Audit Committee.

Kind Regards

Cr. Gerry Harp
Councillor Town Ward

esperance.wa.gov.au
77 Windich Street, Esperance, WA 6450 | PO Box 507

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From: Felicity Baxter <Felicity.Baxter@esperance.wa.gov.au>
Sent: Thursday, 20 August 2026 10:23 AM
To: Cr. Jennifer Obourne <Jennifer.Obourne@esperance.wa.gov.au>; Cr. Gerry Harp <Gerry.Harp@esperance.wa.gov.au>
Cc: Pres. Ron Chambers <Ron.Chambers@esperance.wa.gov.au>; Roy Greive <Roy.Greive@esperance.wa.gov.au>; Executive Services <ExecutiveServices@esperance.wa.gov.au>
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[redacted]

Jen and Gerry would you please confirm your intentions in writing so that I may prepare this late item.

Thank you
Felicity

Felicity Baxter
Director Corporate and Community Services

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17. MATTERS BEHIND CLOSED DOORS