



MINUTES

An Audit and Risk Committee Meeting of the
Lower Eyre Council held in
Council Chambers, 32 Railway Terrace, Cummins,
on Tuesday, October 20, 2026 at 10:00 AM

This page is intentionally left blank.

LOWER EYRE COUNCIL

MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD IN THE COUNCIL CHAMBERS, 32 RAILWAY TERRACE, CUMMINS ON TUESDAY, OCTOBER 20, 2026, COMMENCING AT 10:00 AM.

PRESENT:

P Lee (Independent Member – Chairperson), I Swan (Independent Member), Councillor I Taylor, M Lock (Chief Executive Officer), B Breed (Director Corporate Services & Community), B Tolley (Director Infrastructure and Development), T Muhlhausler & H Mlaco (External Auditors – Galpins)

1 WELCOME

Ms Lee welcomed staff and Councillors to the meeting and extended her congratulations to M Lock (Chief Executive Officer) and B Tolley (Director Infrastructure and Development) on their appointments to Council and welcomed them to the meeting.

2 ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the Traditional Owners of the land and waterways on which we meet today and their continuing connection to culture and community. We pay our respects to Elders past and present and extend that respect to all other Aboriginal and Torres Strait Islander peoples in our communities.

3 APOLOGIES

Nil.

4 CONFIRMATION OF MINUTES

COMMITTEE RESOLUTION ARC/26/014
SWAN/TAYLOR

That the minutes of the Audit and Risk Committee Meeting held 4 June 2026 be received and the recommendations contained therein be adopted, with the following amendments:

Carried

... B Tolley left the meeting at 10:05am and did not return

5 BUSINESS ARISING FROM THE MINUTES

Nil.

6 REPORTS

T Muhlhausler & H Mlaco (External Auditor - Galpins) provided a summary of the outcomes of the 2025/26 Interim and Balance Date audits conducted by Galpins and advised that they had issued an unqualified audit opinion for the 2025/26 financial year.

Galpins provided an overview of their findings in relation to asset valuations, employee leave liabilities and asset management maturity.

... M Lock and B Breed were excluded from the meeting at 10:30am

The Audit and Risk Committee met confidentially with external auditors Galpins.

... T Muhlhausler & H Mlaco left the meeting at 10:38am and did not return

... M Lock and B Breed returned to the meeting at 10:38am

6.1 AUSTRALIAN ACCOUNTING STANDARDS IMPACT ON FINANCIAL STATEMENTS

COMMITTEE RESOLUTION ARC/26/015

TAYLOR/SWAN

That the Audit and Risk Committee note there are no Accounting Standards introduced in the 2025/26 year that impacted the Lower Eyre Council Annual Financial Statements.

Carried

6.2 2025/26 BUDGET TO ACTUAL REVIEW

COMMITTEE RESOLUTION ARC/26/016

SWAN/TAYLOR

That the Audit and Risk Committee receives and notes the report titled 2025/26 Budget to Actual Review and associated attachments and explanation of budget to actual variations.

Carried

6.3 2025/26 GENERAL PURPOSE FINANCIAL REPORTS**COMMITTEE RESOLUTION ARC/26/017**

SWAN/TAYLOR

That the Audit and Risk Committee:

1. *Receives and notes the report titled 2025/26 General Purpose Financial Reports with attachments:
 - i. 2025-26 General Purpose Financial Statements
 - ii. 2025-26 Management Representation Letter
 - iii. 2025-26 Audit Completion ReportAs presented*
2. *Advises Council, the Committee has reviewed and discussed the 2025/26 General Purpose Financial Statements for the financial year 2025/26 with Council's Auditors, Galpins;*
3. *Is satisfied that the 2025/26 General Purpose Financial Statements reflect Council's sound financial position in a true and fair manner for the period being reported on;*
4. *Advises Council the 2025/26 General Purpose Financial Statements have been prepared with due diligence and legislative compliance;*
5. *Authorises the Chief Executive Officer and Presiding Member to sign the Certification of Auditor Independence;*
6. *Receives and notes the 2025/26 Audit Completion Report and Management Representation Letter;*
7. *Endorses Council signing the 2025/26 Annual Financial Statements as presented; and*
8. *Supports Council Administrations investigations into:
 - i. Applying indexation annually to asset infrastructure and building values in between comprehensive revaluations, currently 3 to 5 yearly;
 - ii. Establishing an Asset Management maturity assessment and Action Plan; and
 - iii. Addressing employee leave liability balances.*

Carried

6.4 2025/26 AUDIT & RISK COMMITTEE ANNUAL REPORT**COMMITTEE RESOLUTION ARC/26/018**

TAYLOR/SWAN

That the Audit and Risk Committee recommends the 2025/26 Audit and Risk Committee Annual Report to Council for consideration and adoption.

Carried

6.5 2026/27 INSURANCES OF COUNCIL**COMMITTEE RESOLUTION ARC/26/019**

TAYLOR/SWAN

That the Audit and Risk Committee:

1. *Receives and notes the report titled '2026/27 Insurances of Council' and associated attachments; and*
2. *Notes that Council has the appropriate insurance covers with the Local Government Risk Services to meet its requirements under the Local Government Act to insure against liability, and confirmation of membership of the various schemes was sighted.*

Carried

6.6 2026/27 FIRST QUARTER BUDGET REVIEW**COMMITTEE RESOLUTION ARC/26/020**

SWAN/TAYLOR

That the Audit and Risk Committee:

1. *Receives and notes the report titled 2026/27 First Quarter Budget Review and associated attachments.*
2. *Notes in relation to the key financial indicators that:*
 - i. *The Operating Surplus Ratio decreased from budgeted -0.47% to -7.92% placing the Operating Surplus Ratio outside Council's target range of 0% to 10% although note this ratio is within Council's Long-term Financial Plan and averages 6.77% over the life of the plan.*
 - ii. *The Net Financial Liabilities Ratio decreased from a budgeted 25% to 12% and remained within Council's target range of 0% to 100%.*
 - iii. *The Asset Renewal Funding Ratio increased from budgeted 112% to 127% resulting in the Asset Renewal Funding Ratio being above Council's target range of 90% to 110% although note this ratio is within Council's Long-term Financial Plan that averages 110% over the life of the plan.*
3. *That Budget Review One reflects adjustments to Council's adopted budget primarily arising from the carrying over of projects and grant funded activities from 2025/26 and timing impact of the receipt of Financial Assistance Grants from the Commonwealth Government resulting in reduction in Operating Surplus Ratio, increase in Asset Renewal Funding Ratio and improvement in Net Financial Liabilities Ratio.*

Carried

6.7 INTERNAL CONTROLS POLICIES & PROCEDURES - CEO ANNUAL REPORT**COMMITTEE RESOLUTION ARC/26/021**

TAYLOR/SWAN

That the Audit and Risk Committee:

1. *Receives and note the report titled "Internal Controls Policies & Procedures – CEO Annual Report";*
2. *Notes the report meets the requirements under Section 126(4)(g)(ii) of the Local Government Act for a council without of formalized internal audit function; and*
3. *Notes that Council's financial management policies, procedures and internal control systems are current having been reviewed within the past 2 years; and the next review is due in February 2027.*

Carried

6.8 COUNCIL ANNUAL REPORT 2025/26**COMMITTEE RESOLUTION ARC/26/022**

SWAN/TAYLOR

That the Audit and Risk Committee:

1. *Receives and note the report titled "Council Annual Report 2025/26" and after having reviewed the 2025/26 Annual Report endorse the report for adoption by Council; and*
2. *Notes the draft Annual Report 2025/26 has been prepared with due diligence and meets the legislative requirements under Section 131 of the Local Government Act 1999.*

Carried

6.9 AUDIT AND RISK COMMITTEE WORK PROGRAM

COMMITTEE RESOLUTION ARC/26/023

TAYLOR/SWAN

That the Audit and Risk Committee notes the Committee's 2026/27 Work Program and progress on the Program.

Carried

7 GENERAL BUSINESS

Nil.

8 NEXT MEETING

The next meeting of the Lower Eyre Council Audit and Risk Committee Meeting will be February 2027.

Meeting closed at 11:25am.

The minutes of this meeting will be confirmed at the next Audit and Risk Committee Meeting.

.....
CHIEF EXECUTIVE OFFICER

DATE: enter date

.....
MAYOR