SHIRE OF KONDININ

NOTICE OF MEETING

Please be advised that the next meeting of the

Audit Risk and Improvement Committee Meeting

Will be held at the Hyden CRC on 3rd September 2026

8:00 AM Audit Risk and Improvement Committee Meeting

Bruce Wright

Thursday, 3 September 2026

Chief Executive Officer

11 Gordon Street, KONDININ WA 6367 Tel (08) 98891006

All communications are to be addressed to the Chief Executive Officer ceo@kondinin.wa.gov.au

Members of the Public Attending a Council Meeting

Welcome to this meeting of Council and thank you for your interest in local government decision-making. The following information is provided to assist members of the public attending today's meeting.

Public Question Time

Public Question Time is provided in accordance with the Local Government Act 1995 and the Local Government (Administration) Regulations 1996. Members of the public are invited to ask questions relating to the business of the Shire.

- Questions must be clear and concise and may be submitted in writing prior to the meeting at the Shire offices or by email cso@kondinin.wa.gov.au or asked during Public Question Time.
- The Presiding Member may respond at the meeting, refer the question to a Councillor or officer or take the question on notice for a later response.
- Public questions must relate to the business of the Shire and should not be a statement or personal opinion.
- The Presiding Member may reject public questions that are defamatory, abusive, irrelevant to the business of the Shire or personal opinion as being out of order and no answer will be provided.
- Public questions will not be debated.

Members of the public are also advised that they are regarded as being legally liable and personally responsible for any comments made by them that might be construed as being offensive or defamatory.

Public Statement Time

Public Statement Time allows members of the public to make a brief statement on any matter of community interest. Statements must be respectful, limited to a reasonable duration as determined by the Presiding Member, and not include defamatory or offensive remarks. The Council will not comment or provide a response to public statements.

Meeting Formalities

Council meetings are formal proceedings governed by the *Local Government Act 1995, the Local Government (Administration) Regulations 1996*, and the Shire's Meeting Procedures Local Law. All attendees are requested to maintain decorum and not interrupt the proceedings. Only persons who have been invited by the Presiding Member may address the meeting.

Recording and Privacy Notice

Please note that this meeting is being recorded for minute-taking purposes. By attending, you acknowledge that your voice, and any personal information disclosed may be captured and published as part of the official record. The Shire collects and uses this information in accordance with its privacy obligations.

Copyright Disclaimer

Notes for Elected Members

Report Definitions

Advocacy:	When Council advocates on its own behalf or on behalf of its community to another level of government, external body or agency.
Executive/Strategic:	The substantial direction setting and oversight role of the Council, including, but not limited to: accepting tenders, grants, setting and amending budgets, adopting plans and reports.
Legislative:	Includes adopting town planning schemes, policies and local laws
Administrative:	Council administering legislation and applying legislation to factual circumstances and situations that affect the rights of people.
Information:	Items that are provided to Council for informational purposes only. These do not require a decision of Council.

Alternative Motions

Elected Members seeking to make alternate motions to officer recommendations are requested to provide notice of said alternative motions in written form to the Chief Executive Officer prior to the Council meeting.

Declarations of Interest

Elected Members should complete a Disclosure of Financial/Impartiality & Proximity Interest for agenda items that they hold a financial, impartiality or proximity interest. The form should be provided to the Presiding Member prior to the commencement of the meeting.

In accordance with Part 5, Division 6 of the Local Government Act 1995, Elected Members must disclose the nature of their interest in matters to be discussed at the meeting.

In accordance with Sections 5.70 & 5.71of the Local Government Act 1995, Shire Officers must disclose the nature of their interest in reports or advice when they are giving the report or advice to the meeting.

Applications for a Leave of Absence

In accordance with Section 2.25 of the Local Government Act 1995, a Councillor application for leave of absence requires a Council resolution granting the leave requested. The Council may grant approval for a leave of absence for an Elected member for ordinary meetings of council for up to, but no greater than, six consecutive meetings. Ministerial approval is required for leave of absence greater than six ordinary meetings of council.

A failure to observe the requirements of the Local Government Act may lead to an Elected Member being disqualified should they be absent without leave for three consecutive meetings. It should be noted that Leave of Absence is approved by Council resolution and is different to circumstances whereby an Elected Member records their apologies for the meeting.

Shire of Kondinin - Disclaimer

No responsibility whatsoever is implied or accepted by the Shire of Kondinin for any act, omission, statement, or intimation occurring during Council Meetings. The Shire of Kondinin disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission, and statement of intimation occurring during Council Meetings.

Any person or legal entity that acts or fails to act in reliance upon any statement, act or omission occurring in a Council Meeting does so at their own risk. The Shire of Kondinin advises that any person or legal entity should only rely on formal confirmation or notification of Council resolutions.

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1 OPENING OF MEETING

2 ACKNOWLEDGEMENT OF TRADITIONAL OWNERS AND DIGNITARIES

3 RECORDING OF ATTENDANCE

3.1 ATTENDANCE

3.2 ATTENDANCE BY TELEPHONE OR INSTANTANEOUS COMMUNICATION

3.3 APOLOGIES

3.4 APPROVED LEAVE OF ABSENCE

3.5 DECLARATIONS OF DISCLOSURES OF INTEREST

4 APPLICATION FOR LEAVE OF ABSENCE

5 PUBLIC TIME

5.1 PUBLIC QUESTION TIME

5.2 PUBLIC STATEMENT TIME

6 QUESTIONS FROM MEMBERS WITHOUT NOTICE

7 ANNOUNCEMENTS BY PRESIDING MEMBERS WITHOUT DISCUSSION

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

9 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

Audit Risk and Improvement Committee Meeting - 9 June 2026

10 REPORTS OF OFFICERS

10.1 CHIEF EXECUTIVE OFFICER

10.1.1 Shire Risk Register Review

FILE NUMBER:	
DATE:	31 August 2026
AUTHOR:	Bruce Wright, Chief Executive Officer
AUTHORISED OFFICER:	Bruce Wright, Chief Executive Officer
DISCLOSURE OF INTEREST:	Author - Nil Authoriser - Nil
ATTACHMENTS:	1. Shire of Kondinin - Enterprise Risk Register - *Under Separate Cover*

RECOMMENDATION

That the Audit, Risk and Improvement Committee:

1. Receives the Shire of Kondinin Risk Register;
2. Notes the assessment of risks, existing controls and proposed treatments;
3. Recommends that Council endorses the Risk Register and associated risk treatments; and
4. Includes the Risk Register as a standing item on future Committee agendas to monitor identified risks and treatment actions.

SUMMARY

The Shire's Enterprise Risk and Hazard Register has been developed to identify and assess the principal risks that may affect the Shire's governance, operations, service delivery and achievement of strategic objectives.

The Register contains 57 enterprise risks. After considering existing controls and mitigation measures, the residual risk profile is:

- 6 High risks
- 28 Medium risks
- 23 Low risks
- No Extreme risks

The six High residual risks relate to cybersecurity, workforce attraction and retention, road network failure, asbestos disturbance during works or a disaster, bushfire, and illegal dumping of asbestos or hazardous waste. Each risk has an identified risk owner, review date and further treatment actions.

Including the Register as a standing Committee agenda item will allow the Committee to monitor changes in the Shire's risk profile, the effectiveness of controls and progress toward completing treatment actions, particularly for High-rated risks.

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

Regulation 16 of the Local Government (Audit) Regulations 1996 requires the Audit, Risk and Improvement Committee to review reports on the appropriateness and effectiveness of the Shire's risk management systems and procedures and recommend improvements to Council.

Regulation 17 requires the Chief Executive Officer to review the appropriateness and effectiveness of the Shire's financial management, legislative compliance and risk management systems at least once every four financial years and report the results to the Committee.

The Risk Register supports these responsibilities by providing a consolidated view of risks across governance, finance, procurement, information technology, human resources, infrastructure, planning, community services, environmental health, emergency management, administration, property and regional collaboration.

Risks have been assessed by considering the likelihood of an event occurring and its potential consequences for community safety, service delivery, financial sustainability, legislative compliance, infrastructure, the environment and the Shire's reputation.

The inherent rating reflects the level of exposure before controls are considered. The residual rating reflects the risk remaining after existing controls and mitigation measures are considered. Where the residual risk remains High, further treatment actions have been identified to reduce the likelihood or consequence of the risk.

The Register is scheduled for annual review, or earlier following a significant incident, legislative change, control failure or material change in the Shire's operating environment.

FINANCIAL

There are no immediate financial implications arising from receiving and monitoring the Risk Register.

Future risk treatments may require additional expenditure and will be assessed through the Shire's annual budget and long-term financial planning processes. Effective risk management may reduce exposure to financial loss, service interruption, regulatory action and unplanned expenditure.

RISK

Failure to regularly monitor the Risk Register may result in emerging risks, ineffective controls or overdue treatment actions not being identified and addressed promptly.

Including the Register as a standing Committee agenda item will strengthen oversight and accountability, particularly for the Shire's six High residual risks.

POLICY

The Risk Register supports the application of the Shire's Risk Management Policy and related governance, financial management, procurement, workplace safety and asset management policies.

No policy amendments are proposed at this stage. Any identified policy gaps or required improvements will be presented to Council through the normal policy review process.

STATUTORY

Local Government Act 1995

Section 1.3 of the Local Government Act 1995 provides a framework intended to support better decision-making, greater accountability, and more efficient and effective local government. A structured risk management process supports these objectives by assisting Council and management to make informed decisions about priorities, controls and resource allocation.

Section 2.7 provides that Council governs the local government's affairs and is responsible for the performance of its functions. Council's governing role includes overseeing the allocation of finances and resources, determining policies, planning strategically and providing strategic direction to the CEO. The Risk Register supports this oversight role by identifying significant organisational risks and the actions required to manage them.

Section 7.1A requires the Shire to establish an Audit, Risk and Improvement Committee. The functions of the Committee are further prescribed by the Local Government (Audit) Regulations 1996.

Local Government (Audit) Regulations 1996

Regulation 16 requires the Audit, Risk and Improvement Committee to receive and review reports on the appropriateness and effectiveness of the Shire's systems and procedures relating to financial management, legislative compliance and risk management, and to recommend improvements to Council. It also requires the Committee to review reports arising from audits, compliance audits and reviews conducted under regulation 17.

Regulation 17 requires the CEO to review the appropriateness and effectiveness of the Shire's systems and procedures relating to financial management, legislative compliance and risk management. Each area must be reviewed at least once every four financial years, and the results must be reported to the Audit, Risk and Improvement Committee.

Presentation of the Risk Register does not, by itself, constitute the full systems and procedures review required by regulation 17. However, the Register supports that review and assists the Committee to monitor whether identified risks, controls and treatment actions are being actively managed.

Local Government (Financial Management) Regulations 1996

Regulation 5 requires the CEO to establish efficient financial management systems and procedures and to ensure that the Shire's resources are effectively and efficiently managed. Financial risks identified in the Risk Register should therefore be considered alongside the Shire's budgeting, accounting, revenue collection, payment authorisation, financial recordkeeping and reporting controls

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

COMMENT

The Risk Register provides the Committee and Council with a structured overview of the Shire's principal organisational risks and the measures being taken to manage them.

Regular consideration of the Register by the Committee will strengthen governance oversight, maintain accountability for treatment actions and ensure that High risks and emerging issues receive appropriate attention. It will also support the Committee in meeting its statutory responsibility to review the appropriateness and effectiveness of the Shire's risk management arrangements.

CONSULTATION

Administration staff.

10.1.2 2025 Compliance Audit Return

FILE NUMBER:	
DATE:	2 September 2026
AUTHOR:	Bruce Wright, Chief Executive Officer
AUTHORISED OFFICER:	Bruce Wright, Chief Executive Officer
DISCLOSURE OF INTEREST:	Author - Nil Authoriser - Nil
ATTACHMENTS:	1. Draft - Shire of Kondinin - Compliance Audit Return - 2025 - *Under Separate Cover*

RECOMMENDATION

That Audit Risk and Improvement Committee:

1. Reviews and endorses the Shire of Kondinin 2025 Compliance Audit Return;
2. Notes the identified non-compliance and improvement actions;
3. Requests the Chief Executive Officer to maintain a corrective action register and report progress to the Committee; and
4. Recommends that Council adopts the Return and authorises its certification and submission to the Local Government Inspector.

SUMMARY

The Shire has completed its Compliance Audit Return for the period 1 January to 31 December 2025.

The Compliance Audit Return is an annual statutory self-assessment of the local government's compliance with selected provisions of the Local Government Act 1995 and associated regulations.

The completed Return must be reviewed by the Audit, Risk and Improvement Committee before being presented to Council for adoption and subsequent submission to the Local Government Inspector. The submission deadline for the 2025 Compliance Audit Return has been deferred to 30 September 2026.

The Return demonstrates compliance across most of the areas assessed. It also identifies several matters requiring corrective action or improved documentation.

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

Regulation 14 of the Local Government (Audit) Regulations 1996 requires each local government to undertake an annual compliance audit for the period 1 January to 31 December.

The Compliance Audit Return provides a structured assessment of compliance with selected legislative requirements relating to:

- governance and elected member obligations;
- delegations;
- disclosure of interests and gifts;
- financial management;
- procurement and tendering;
- major trading undertakings and land transactions;
- audit management;
- statutory registers;
- elected member training; and
- public access to prescribed information.

The 2025 Compliance Audit Return has been completed by the Administration following a review of available records, Council and committee minutes, statutory registers, procurement documentation, financial records, policies and audit findings.

The completed Return records broad compliance across most assessed areas. However, it also contains several adverse responses and comments identifying areas where procedures, records or statutory actions were incomplete.

The principal matters identified are summarised below.

Procurement and tendering

The Return records non-compliance with section 3.57 of the Local Government Act 1995 and regulation 11A of the Local Government (Functions and General) Regulations 1996.

These responses relate to three procurement matters identified in the Office of the Auditor General's interim management letter. The matters included:

- the procurement of a motor vehicle; and
- the acquisition of roadmaking products and plant hire through a panel arrangement.

The matters have been addressed operationally. A broader review of the Shire's procurement policy, procedures, contracting framework, evaluation documentation and contractor engagement practices is also underway.

This work is included in the Organisation Enhancement Program and the Audit, Risk and Improvement Committee workplan.

Major trading undertaking

The Return identifies that the process associated with the proposed Discovery Centre was not completed through a sufficiently specific Council resolution to proceed.

Although preparatory and business planning work was undertaken, the former process did not result in a resolution that clearly completed the required statutory decision-making process.

The matter has subsequently been returned to Council, and corrective action has been undertaken in accordance with the applicable legislative requirements.

Committee delegations

The Return records that committee delegations were supported by Council resolutions and committee terms of reference but were not fully identified in the formal register of delegations.

The Delegations Register is currently undergoing detailed review. Non-statutory committees have also been discontinued, with relevant matters to be considered through whole-of-Council processes where appropriate.

The revised register will need to clearly identify any continuing statutory delegations to committees.

Records of delegated decisions

The review found that most exercises of delegated authority were recorded. However, the Shire could not demonstrate that a compliant written record was maintained on every occasion.

A consistent organisation-wide approach is being developed. This will include:

- a standard delegated decision record;
- clearer requirements for statutory and administrative delegations;
- integration with the Shire’s records management system;
- central registers where appropriate;
- officer education; and
- periodic management checking.

This work will provide greater assurance that each exercise of delegated authority is identifiable, authorised and supported by an appropriate record.

Audit findings and significant matters

The Return records that some matters raised through audit had not been fully resolved during the reporting period. These principally concern:

- cybersecurity strategy and governance; and
- procurement policies, procedures and controls.

The draft Cybersecurity Strategy is scheduled to be presented to the Audit, Risk and Improvement Committee, while revised procurement documentation is also under development.

The Return further records that no formal report under section 7.12A(4) of the Local Government Act 1995 was identified as having been prepared, provided to the Minister or published on the Shire’s official website. The relevant audit reports did not identify any matters as significant for the purposes of section 7.12A.

Elected member training

One Councillor has not yet completed the prescribed Council Member Essentials training but is enrolled to complete the course before October. Upon completion, all Councillors are expected to meet the training requirement.

The review identified that the elected member training register does not record whether any Councillor is exempt from the prescribed training requirements. The register will be updated to identify each Councillor’s training status and, where an exemption applies, record the basis for the exemption and retain the required supporting documentation.

Electoral gift register

No electoral gifts were disclosed during the relevant period. However, a current nil electoral gift register was not published on the Shire’s official website.

The absence of disclosures does not remove the requirement to maintain and publish an up-to-date register. A nil return should therefore be published, and an ongoing administrative control established to ensure the register remains current.

Interpretation of "No" responses

Not every "No" answer in the Return represents non-compliance.

For example, questions concerning whether the Shire rejected late tenders or late expressions of interest were answered "No" because all submissions were received at the required place and within the required time. These answers do not indicate a compliance failure.

FINANCIAL

There is no direct fee associated with the Committee receiving the Compliance Audit Return or Council adopting and submitting it.

Corrective actions may, however, involve costs associated with:

- legal or governance advice;
- procurement and contract management support;
- cybersecurity planning and system improvements;
- elected member and employee training;
- policy and procedure development;
- records management improvements;
- internal control reviews; and
- staff time required to implement and verify corrective actions.

The most significant potential financial exposure is likely to relate to cybersecurity improvements and any external support required to complete procurement and governance reforms. Costs should be scoped and prioritised according to assessed organisational risk.

RISK

Failure to comply with legislative requirements may result in regulatory intervention, adverse audit findings, formal directions, monitoring or reputational damage.

Corrective actions may require staff time, external professional assistance, system improvements and training.

Failure to invest in appropriate controls may result in greater future costs through errors, contract disputes, inefficient expenditure, cybersecurity incidents or audit remediation.

POLICY

The Compliance Audit Return has implications for several existing Shire policies and operational procedures. The Organisation Enhancement Program includes a review of the Shire's policy framework to ensure that:

- policies are reserved for matters requiring Council-level direction;
- operational processes are documented separately as procedures or work instructions;
- policies accurately reflect current legislative requirements;
- responsibilities and approval authorities are clearly defined;
- documents are subject to scheduled review; and

- current versions are published on the Shire's website where required.

Policies and supporting documents requiring attention are detailed within information previously shared with the Committee.

The proposed Compliance Audit Return corrective action register will complement, rather than replace, the Organisation Enhancement Program and Audit, Risk and Improvement Committee workplan.

STATUTORY

The principal statutory framework relevant to this report is provided by the:

- Local Government Act 1995;
- Local Government (Audit) Regulations 1996;
- Local Government (Administration) Regulations 1996;
- Local Government (Financial Management) Regulations 1996;
- Local Government (Functions and General) Regulations 1996;
- Local Government (Elections) Regulations 1997; and
- Local Government (Constitution) Regulations 1998.

The Compliance Audit Return must be completed by the Administration, reviewed by the Audit, Risk and Improvement Committee, adopted by Council and submitted to the Local Government Inspector.

For the 2025 reporting period, the State Government has deferred the submission deadline to 30 September 2026.

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

COMMENT

The 2025 Compliance Audit Return provides a transparent assessment of the Shire's compliance with key legislative obligations.

The Return demonstrates that the Shire is compliant across most areas reviewed. It also confirms several historical weaknesses in procurement, delegations, delegated decision records, audit action management, elected member training records and statutory website publications.

Importantly, the identified matters are broadly consistent with issues already recognised through audit and the Organisation Enhancement Program. Corrective work has commenced, with several actions already incorporated into the Audit, Risk and Improvement Committee workplan.

CONSULTATION

Administration

10.1.3 2026–2027 Compliance Calendar

FILE NUMBER:

DATE: 2 September 2026

AUTHOR: Bruce Wright, Chief Executive Officer

AUTHORISED OFFICER: Bruce Wright, Chief Executive Officer

DISCLOSURE OF INTEREST: Author - Nil

Authoriser - Nil

ATTACHMENTS: 1. Shire of Kondinin - Draft Compliance Calendar - 2026-2027 - *Under Separate Cover*

RECOMMENDATION

That Audit Risk and Improvement Committee:

1. Receives and notes the 2026–2027 Compliance Calendar;
2. Endorses its implementation as an operational compliance monitoring tool;
3. Notes that the calendar will be reviewed and updated to reflect legislative changes and the Shire's operational requirements; and
4. Requests the Chief Executive Officer to report material non-compliance and progress on outstanding actions to the Committee.

SUMMARY

The Administration has adopted a compliance calendar based on the WALGA Template Compliance Calendar to strengthen the coordination, monitoring and recording of the Shire's recurring statutory obligations.

The calendar covers the period July 2026 to June 2027 and identifies monthly, annual, biennial and periodic compliance activities. It provides fields for the responsible officer, due date, completion date, record reference and status of each action.

Implementation of the calendar forms part of the Shire's broader Organisation Enhancement Program and responds to the need for a more consistent and evidence-based approach to legislative compliance.

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

The compliance calendar is based on the template prepared by WALGA Governance and Procurement. It identifies recurring statutory and good-practice obligations applying to Western

Australian local governments and provides a central mechanism for allocating, monitoring and evidencing those obligations.

The calendar is divided into two parts:

Part 1 contains monthly activities and actions falling due in specific months between July 2026 and June 2027; and

Part 2 contains periodic obligations that must be scheduled according to the Shire's applicable review or completion dates.

Each compliance action will be allocated to a responsible position. Completion will be supported by a record reference, allowing evidence to be readily produced for management review, external audit and the annual Compliance Audit Return.

The source template was last reviewed in March 2024, with further public health amendments incorporated in July 2024. The calendar itself notes that subsequent legislative amendments have affected a number of provisions. Accordingly, the document will operate as a controlled working tool and will require continuing review against current legislation

FINANCIAL

Implementation of the compliance calendar is expected to be undertaken within existing operational resources.

Any expenditure not provided for in the adopted budget will be considered through the appropriate budget review or Council approval process.

RISK

Implementation of the calendar is intended to reduce the risk of:

- missed statutory deadlines;
- incomplete statutory registers;
- outdated website publications;
- inadequate evidence of compliance;
- unclear officer accountability;
- adverse audit findings;
- regulatory intervention; and
- reputational damage.

POLICY

There are no immediate changes to Council policy arising solely from implementation of the calendar.

The calendar will, however, assist the Administration to identify when policies, procedures and registers require review or publication.

STATUTORY

The calendar assists the Shire to monitor obligations arising under the:

- Local Government Act 1995;
- Local Government (Administration) Regulations 1996;
- Local Government (Audit) Regulations 1996;
- Local Government (Financial Management) Regulations 1996;

- Local Government (Functions and General) Regulations 1996;
- Local Government (Elections) Regulations 1997;
- State Records Act 2000;
- Freedom of Information Act 1992;
- Public Health Act 2016;
- Bush Fires Act 1954;
- Emergency Management Act 2005; and
- other legislation relevant to local government operations.

The calendar is an administrative control and does not replace the underlying legislation, regulations, statutory guidance or professional advice. Responsible officers remain accountable for confirming the current requirement and completing each action within the prescribed timeframe.

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

COMMENT

The 2026–2027 Compliance Calendar provides the Shire with a structured framework for assigning, monitoring and evidencing recurring statutory obligations.

Its implementation will support clearer accountability, earlier identification of approaching deadlines and improved access to evidence for audit and compliance reporting. It also provides a practical link between day-to-day administrative controls, the annual Compliance Audit Return and the oversight responsibilities of the Audit, Risk and Improvement Committee.

CONSULTATION

Administration staff

10.1.4 Audit, Risk and Improvement Committee Workplan Review

FILE NUMBER:

DATE: 2 September 2026

AUTHOR: Bruce Wright, Chief Executive Officer

AUTHORISED OFFICER: Bruce Wright, Chief Executive Officer

DISCLOSURE OF INTEREST: Author - Nil

Authoriser - Nil

ATTACHMENTS: 1. ARIC Workplan - September 2026 - *Under Separate Cover*

RECOMMENDATION

That the Audit Risk and Improvement Committee:

1. Receives the ARIC Workplan update;
2. Notes the confirmed Council activities relevant to the Committee's functions;
3. Endorses the proposed amendments to the ARIC Workplan set out in this report; and
4. Requests the Chief Executive Officer to maintain the Workplan as a risk-based assurance program and report progress at each ordinary Committee meeting.

SUMMARY

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

The Audit, Risk and Improvement Committee provides independent oversight and advice to Council on the adequacy and effectiveness of the Shire's financial reporting, external and internal audit, risk management, internal control, legislative compliance and organisational improvement arrangements.

The Workplan is the principal mechanism for translating these responsibilities into an orderly annual program.

The Workplan is not intended to replicate Council agendas or operational reporting. Its purpose is to direct the Committee's attention to material risks, significant control environments, statutory assurance requirements and the implementation of agreed corrective actions.

The current Workplan is arranged by Committee meeting frequency and contains activities across five functional areas: financial reporting and audit, risk management, internal audit, compliance and governance, and improvement and performance monitoring.

Internal assurance

The Committee previously determined that retaining a permanent external internal auditor would impose an untenable cost on the Shire. Internal self-assessment tools were developed, but implementation was interrupted by employee departures. The appointment of a Coordinator of Corporate Services provides capacity to reinvigorate that program.

Confirmed Council Activity Relevant to ARIC

The following section records factual developments from adopted Council minutes. It does not prescribe the Committee's response.

Wave Rock (Katter Kich) Discovery Centre

Council considered the Discovery Centre at its Ordinary Council Meeting on 22 July 2026. The confidential item addressed the proposed Memorandum of Understanding with the Hyden Progress Association and compliance with section 3.59 of the Local Government Act 1995. Councillors Mouritz and Green declared impartiality interests arising from their membership of the Hyden Progress Association.

Council reconsidered the matter at its Special Council Meeting on 29 July 2026. The report was considered behind closed doors on the basis that it contained legal advice or information subject to legal professional privilege. The public minutes record that Council resolved in favour of Option 2 in the officer recommendation.

The agenda for the Ordinary Council Meeting scheduled for 19 August 2026 included the Discovery Centre Business Plan for a Major Land Transaction and proposed its adoption for public advertising under section 3.59. The final outcome has not been included as a confirmed decision in this report because adopted minutes for that meeting were not available at the time of review.

Differential rates, fees and charges, and annual budget

Council considered proposed differential rates for 2026–2027 and the proposed schedule of fees and charges at its meeting on 22 July 2026. These decisions formed part of the statutory preparation for the annual budget.

The 2026–2027 Annual Budget was listed for adoption at the Ordinary Council Meeting scheduled for 19 August 2026.

Financial reporting and payments

Council received the June 2026 list of accounts and financial report at its meeting on 22 July 2026. Questions raised in relation to the accounts concerned accommodation arrangements, legal costs associated with the Whispering Gums lease and accommodation provided to a maintenance contractor. The Chief Executive Officer provided responses during the meeting.

The July 2026 list of accounts was included in the agenda for the meeting scheduled for 19 August 2026.

Council policies and meeting procedures

Council considered the adoption of Council policies and an interim Meeting Procedures Policy at its meeting on 22 July 2026.

The meeting documentation also introduced notices concerning the recording of meetings and the collection, use and potential publication of voices and personal information for minute-taking purposes.

Committee arrangements

Council considered the disbanding of the Infrastructure and Assets Committee and the Medical and Community Services Committee at its meeting on 22 July 2026. Both committees had also been scheduled to meet earlier that day.

King Rocks and Kondinin wind farms

Council considered supporting documentation relating to conditions of development approval for the King Rocks Wind Farm and Kondinin Wind Farm at its meeting on 22 July 2026.

Further consideration of supporting documentation relating to King Rocks Wind Farm was included in the agenda for the meeting scheduled for 19 August 2026. The outcome is not recorded as a confirmed Council decision pending publication of the adopted minutes.

Executive Manager Infrastructure

Council appointed Mr Robert Edwards as Executive Manager Infrastructure at its Special Council Meeting on 29 July 2026.

The appointment establishes senior management responsibility for infrastructure, assets, capital works and associated operational functions. Any delegations, financial authorities and contract management responsibilities attached to the position remain subject to the Shire's formal governance processes.

Land, lease and property matters

Council's July accounts discussion recorded legal expenditure relating to an updated lease for Whispering Gums. The minutes state that the Shire is a party to that arrangement because the land is Crown land vested in the Shire.

Council also considered a request to refund planning fees for a proposed community and tourist centre at Lot 800, 36 Marshall Street, Hyden.

The agenda for the meeting scheduled for 19 August 2026 included a proposal to advertise the closure of a public road to incorporate it into freehold Lot 37 on Deposited Plan 141008 at Cook Street, Kondinin. The outcome has not been recorded as a confirmed decision pending adopted minutes.

Community initiatives

Council considered a community contribution toward the Cycling Without Age trishaw initiative in Hyden and received a community development update at its July meeting.

A further community development report and the establishment of an Australia Day Citizenship Awards Selection Panel were listed in the 19 August agenda

Proposed Workplan Amendments

The following amendments establish the Committee's assurance requirements arising from the confirmed organisational and Council activity.

1. Discovery Centre project assurance

Add the Discovery Centre as a standing strategic project assurance item until the statutory major land transaction process is completed and the project has progressed beyond its material governance, funding and delivery risks.

The reporting is to provide assurance over governance, compliance, risk and financial exposure. Operational project management remains the responsibility of the Chief Executive Officer and appointed project officers.

2. Annual budget and financial sustainability assurance

Expand the existing financial reporting item so that ARIC receives a structured financial sustainability report following budget adoption and at the mid-year budget review.

Monthly transactional financial reports remain a Council responsibility. ARIC reporting is to concentrate on material variances, control exceptions and risks to the Shire's financial position.

3. Major project and capital works assurance

Introduce a consolidated major project report covering projects with material financial, legal, delivery, safety, reputational or service-continuity risk.

The report is to identify each qualifying project's approved scope, budget, funding, responsible officer, procurement status, delivery stage, forecast completion, material risks and required decisions.

The Discovery Centre is to remain separately identified because of its statutory and governance significance. Other capital projects may be reported through the consolidated schedule.

4. Major developments and infrastructure agreements

Add an assurance item covering major external developments that create obligations or exposure for the Shire, initially including the King Rocks and Kondinin wind farms.

Routine planning assessment is excluded. Reporting is triggered by material risk, unresolved obligations or significant changes to the Shire's exposure.

5. Cybersecurity and ICT implementation

Replace the current workplan reference to developing a cybersecurity strategy with an implementation and assurance program aligned with the draft ICT Strategic Plan.

ARIC reports are to summarise control maturity, testing results and material exceptions. Detailed vulnerabilities, network architecture and exploitable technical information must remain in restricted operational records.

6. Business continuity and disaster recovery assurance

Establish a defined annual assurance activity for business continuity and disaster recovery.

The first assurance report is to establish the baseline. Subsequent reports are to demonstrate that testing has occurred and identified gaps have been addressed.

7. Recordkeeping Plan improvement program

Add monitoring of the Recordkeeping Plan Improvement and Action Plan as a defined compliance and information-governance activity.

Each action is to have a responsible officer, target date, status and closure evidence. ARIC is to receive exceptions, overdue actions and significant risks rather than routine operational detail.

8. Governance framework assurance

Consolidate delegations, policies, CEO Directives, codes of conduct, conflicts of interest and statutory registers under one governance framework assurance item.

This report is to assess whether the framework is complete, current and operating. It is not intended to require ARIC to review every individual policy or delegated decision.

9. Governance following changes to committee arrangements

Add a one-off governance assurance review following the discontinuation of the Infrastructure and Assets Committee and Medical and Community Services Committee.

This is a governance transition review and does not transfer the former committees' operational or advisory functions to ARIC.

10. Risk-based internal self-assessment program

Convert the existing internal audit section into a documented internal assurance program proportionate to the Shire's size and resources.

11. Consolidated audit and improvement action register

Establish one consolidated register for corrective actions arising from:

- external audit;

- financial management reviews;
- regulation 17 reviews;
- internal self-assessments;
- the Compliance Audit Return;
- cybersecurity and ICT assessments;
- recordkeeping reviews;
- business continuity testing; and
- other approved assurance activities.

The register is to record the source, finding, risk rating, agreed action, responsible officer, target date, status and required closure evidence.

An action is to be closed only when implementation and operating effectiveness have been demonstrated. Preparing a policy, procedure or template does not, by itself, demonstrate that the resulting control is operating effectively.

12. Procurement and contract management assurance

Retain procurement as an ongoing assurance priority following completion of the immediate audit remediation.

The next review is to test transactions completed after the new or revised controls were implemented. This will establish whether the remediation is operating effectively in practice.

13. Fraud and corruption control review

Retain fraud and corruption prevention as a separate annual assurance item and align it with procurement, payments, payroll and information-security reviews.

Any identified control weakness is to be included in the consolidated action register.

14. Insurance and claims assurance

Define the existing insurance review so it covers:

- completeness and accuracy of declared assets;
- property, motor vehicle and public liability cover;
- workers compensation;
- professional indemnity;
- cyber insurance;
- business interruption;
- volunteers and community activities;
- major projects;
- contractual indemnities;
- material claims and trends; and
- insurer risk recommendations.

The report is to identify material coverage gaps, unimplemented insurer recommendations and changes in risk exposure.

15. Land, leases and agreements register

Add a one-off internal control review of the Shire’s land, lease and agreement register.

Following establishment of a reliable register, reporting to ARIC is to occur only for material exceptions, disputed obligations, expired agreements or significant financial exposure.

16. Privacy and confidential information assurance

Add privacy and confidential information to the information-governance program.

This activity is to be coordinated with the ICT and Recordkeeping Plan implementation programs.

17. Strategic grants and funding obligations

Add an exception-based report for material grant-funded projects.

The report is to identify grants with significant delivery, co-contribution, acquittal, asset ownership or ongoing operating obligations. It is to record the funding agreement, milestones, expenditure, reporting dates, responsible officer, delivery status and material risks.

Routine grants are to remain under normal management control. ARIC reporting is limited to material grants, overdue milestones, disputed eligibility, potential repayment exposure or projects creating significant future costs.

FINANCIAL

There is no direct financial implication arising from endorsement of the updated Workplan.

Implementation will require management and employee time. Specialist assistance may be required for cybersecurity, financial audit, legal review, business continuity testing, complex procurement and other areas where internal staff cannot provide sufficient independence or technical assurance.

External assistance will be commissioned on a targeted basis, having regard to risk, materiality, statutory requirements and available budget.

RISK

An incomplete or overly general Workplan may result in significant risks receiving insufficient attention, corrective actions remaining unresolved and the Committee receiving activity reports without meaningful assurance.

The proposed amendments address this risk by defining the purpose, scope and evidence expected for each principal assurance activity.

The Workplan must also remain achievable. Standing reports are therefore limited to matters requiring continuing oversight, including financial sustainability, external audit, strategic risk, the Discovery Centre and high-priority corrective actions. Lower-risk and routine matters will be reported by exception.

POLICY

The Workplan review does not amend a Council policy.

Implementation supports the continuing review of the Shire’s risk management, procurement, financial management, fraud prevention, delegations, cybersecurity, records management, privacy, business continuity and project governance frameworks.

The Committee’s Terms of Reference are to remain aligned with the applicable legislation and clearly distinguish:

1. Council’s decision-making and strategic responsibilities;
2. the Chief Executive Officer’s operational and statutory responsibilities;
3. management’s ownership of risks and controls; and
4. ARIC’s oversight, challenge and assurance role.

STATUTORY

The Workplan supports the Committee's functions under the Local Government Act 1995, the Local Government (Audit) Regulations 1996 and the Local Government (Financial Management) Regulations 1996.

It also supports oversight of the Shire's obligations under legislation governing records, privacy, freedom of information, procurement, financial management, work health and safety, land transactions and other local government activities.

ARIC does not exercise the operational functions of the Chief Executive Officer or reconsider decisions properly made by Council. Its purpose is to assess whether the Shire has appropriate systems of risk management, internal control, legislative compliance and improvement, and whether those systems are operating effectively.

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

COMMENT

The current ARIC Workplan provides a sound foundation but requires greater specificity to operate as an effective assurance program.

The review of confirmed Council activity has identified material governance developments involving the Discovery Centre, financial planning, Council policies, committee arrangements, major renewable energy developments and senior infrastructure management. These matters have now been translated into defined assurance activities without duplicating Council's decision-making role or management's operational responsibilities.

The proposed Workplan amendments strengthen four core governance principles:

- **Accountability**, by identifying responsible officers and risk owners.
- **Assurance**, by specifying the evidence and testing required.
- **Transparency**, by reporting status, exceptions and overdue actions.
- **Proportionality**, by concentrating Committee attention on material risks and using exception reporting for routine matters.

The revised Workplan will provide ARIC with a clear basis for monitoring the Shire's financial reporting, strategic risks, internal controls, legislative compliance and organisational improvement. It will also provide an auditable record of the Committee's oversight and the Administration's response to identified risks and control weaknesses.

CONSULTATION

Nil

11 BUSINESS OF AN URGENT NATURE

12 CLOSE OF MEETING

12.1 DATE OF NEXT MEETING

12.2 CLOSURE