



SHIRE OF KONDININ

NOTICE OF MEETING

Councillors: Please be advised that the next meeting of the

Audit Risk and Improvement Committee Meeting

Will be held at the Hyden Community Resource Centre on 10th February 2026

9:00 AM Audit Risk and Improvement Committee Meeting

Bruce Wright

Tuesday, 10 February 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 csso@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

All documents, attachments, and materials within the agenda may be the subject to the provisions of copyright law. Express permission from the document owner should be sought prior to the reproduction of said documents and materials. A reproduction of material that is protected by copyright may represent a copyright infringement.

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 & 5.71 of 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 Town of Port Hedland advises that any person or legal entity should only rely on formal confirmation or notification of Council resolutions.

Order Of Business

1	Opening of Meeting	6
2	Acknowledgement of Traditional Owners and Dignitaries.....	6
3	Recording of Attendance	6
3.1	Attendance	6
3.2	Attendance by Telephone or Instantaneous Communication.....	6
3.3	Apologies.....	6
3.4	Approved Leave of Absence	6
3.5	Declarations of Disclosures of Interest	6
4	Application for Leave of Absence	6
5	Public Time	6
5.1	Public Question Time	6
5.2	Public Statement Time	6
6	Questions from Members without Notice	6
7	Announcements by Presiding Members without Discussion.....	6
8	Declaration of Members to have Given due Consideration to all Matters Contained in the Agenda Before the Meeting.....	6
9	Confirmation of Minutes of Previous Meetings.....	6
10	Reports of Officers	7
10.1	Corporate Services.....	7
10.1.1	Budget Review Report	7
10.2	Chief Executive Officer	10
10.2.1	Audit, Risk & Improvement Committee - Workplan Update.....	10
11	Business of an Urgent Nature.....	13
12	Close of Meeting	13
12.1	Date of Next Meeting	13
12.2	Closure.....	13

- 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**

10 REPORTS OF OFFICERS

10.1 CORPORATE SERVICES

10.1.1 Budget Review Report

FILE NUMBER:**DATE:** 6 February 2026**AUTHOR:** Vince Bugna, Manager Corporate Services**AUTHORISED OFFICER:** Bruce Wright, Chief Executive Officer**DISCLOSURE OF INTEREST:** Author - Nil

Authoriser - Nil

ATTACHMENTS: 1. Item 9.2.3 Budget Review Report - *Under Separate Cover***RECOMMENDATION**

That the Audit Risk and Improvement Committee:

1. Endorses the 2025/26 Budget Review Report conducted for the six (6) months period ended 31st December 2025 for submission to the Department of Local Government.
2. Endorses the CEO to amend the 2025/26 budget in accordance with the attached “Budget Review Report” for the period ended 31st December 2025.

SUMMARY

To present to the Audit, Risk & Improvement Committee the Mid-Year 2025/26 Budget Review Report for the period ended 31st December 2025.

VOTING REQUIREMENT

Absolute 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

Under the *Local Government (Financial Management) Regulations 1996*, each local government has to carry out a budget review of its current year budget mid financial year and make the necessary adjustments in the interest of achieving a surplus or balanced budget at the end of its financial year.

The Shire’s Manager of Corporate Services conducted the review together with the CEO and Acting Manager of Works discussed the budget review amendments contained in note 4 of the 2025/26 Budget Review Report.

The amounts included are as follows:

Note	Description	Amount
4.1	Decrease in rates revenue due to property valuation update after the 2025/26 budget was adopted by Council.	(\$30,986)
4.2	Decrease in fees and charges due to Medical Centre management changeover in November 2025.	(\$148,949)
4.3	Decrease in interest revenue (net of cash reserves and investment term deposits). Budget estimates higher than the actual bank interest rates.	(\$7,585)
4.4	Increase in other revenue from insurance reimbursements/claimed not originally included in the 2025/26 budget estimates.	\$35,572
4.5	Adjustment of projected employee costs (medical centre staff) due to management changeover in November 2025.	\$95,190
4.6	Adjustment in materials and contracts from GP Locum costs due to management changeover.	\$108,444
4.7	Decrease in cash due to insurance coverage (added) for risk management program and workers compensation adjustment.	(\$25,115)
4.8	Additional capital grants provided for roads construction at the nearby mining and windfarm projects.	\$1,944,242
4.9	Increase in cash from Land and Buildings (staff house construction, Kondinin) due to progress payment made at the end of last financial year not included in the adopted 2025/26 budget.	\$46,290
4.10	Decrease in cash for the purchase of plant and equipment per fleet replacement amendment, item 9.3.1 December 2025 OCM.	(\$145,000)
4.11	Decrease in cash for additional roads construction (grant funded) per note 4.8 above.	(\$1,937,224)
4.12	Budget amendment per Council resolution 4651 plus grant funded water tanks for community standpipes .	(\$34,276)
4.13	Transfer from plant replacement cash reserve to cover purchase/replacement of plant per note 4.10 above.	\$145,000
4.14	Transfer to reserves interest earned on cash reserves term deposits (restricted).	(\$16,639)
4.15	Overall change – projected surplus due to variances described above.	\$28,965

FINANCIAL

Regulatory requirements

RISK

Financial & compliance

POLICY

There are no direct policy implications in relation to this report.

STATUTORY

Regulation 33A of the Local Government (Financial Management) Regulation 1996 requires:

- (1) Between 1 January and 31 March in each financial year a local government is to carry out a review of its annual budget for that year.
- (2A) The review of an annual budget for a financial year must —
 - (a) consider the local government's financial performance in the period beginning on 1 July and ending no earlier than 31 December in that financial year; and
 - (b) consider the local government's financial position as at the date of the review; and
 - (c) review the outcomes for the end of that financial year that are forecast in the budget.
 - (d) include the following –
 - (i) the annual budget adopted by the local government;
 - (ii) an update of each of the estimates included in the budget;

- (iii) the actual amounts of expenditure, revenue and income as at the date of the review;
 - (iv) adjacent to each item in the annual budget adopted by the local government that states an amount, the estimated end of year amount for the item.
- (2) The review of an annual budget for the financial year must be submitted to the council on or before 31 March in the financial year.
- (3) A council is to consider a review submitted to it and is to determine* whether or not to adopt the review, any parts of the review or any recommendations made in the review.
*Absolute majority required.
- (4) Within 14 days after a council has made the determination, a copy of the review and determination is to be provided to the Department.
Section 6.8(1) (b) of the *Local Government Act 1995* provides that expenditure can be incurred when not included in the annual budget provided it is authorised in advance by resolution (absolute majority required).

STRATEGIC

Theme

4. CIVIC LEADERSHIP

Goal

4.1 Skilled, capable and transparent team

Strategy

4.1.5 The capability of our organisation is continually improved

COMMENT

The half yearly budget review is a statutory requirement.

CONSULTATION

CEO, Managers

10.2 CHIEF EXECUTIVE OFFICER

10.2.1 Audit, Risk & Improvement Committee - Workplan Update

FILE NUMBER:**DATE:** 7 February 2026**AUTHOR:** Bruce Wright, Chief Executive Officer**AUTHORISED OFFICER:** Bruce Wright, Chief Executive Officer**DISCLOSURE OF INTEREST:** Author - Nil

Authoriser - Nil

ATTACHMENTS:

1. Draft Organisational Enhancement Program - *Confidential Under Separate Cover*
2. LGIS - Cyber Security Review - *Confidential Under Separate Cover*
3. Shire of Kondinin - Risk Management Plan 2019 - *Confidential Under Separate Cover*

RECOMMENDATION

That Audit Risk and Improvement Committee:

1. Receives and endorses the Audit, Risk & Improvement Committee workplan update, and
2. Recommends Council endorsement of the Audit, Risk & Improvement Committee workplan update.

SUMMARY

The purpose of this report is to provide the Audit, Risk & Improvement Committee (ARIC) with an update of progress against the agreed ARIC Workplan.

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

At its inaugural meeting on 10 December 2025, the Shire of Kondinin ARIC endorsed a proposed workplan as a quarterly measure of Shire performance in five (5) key areas. This report details progress and activities against the workplan.

Financial Reporting and Audit

- **Mid-Year (Q2) Budget Review**

The Mid-Year (Q2) Budget Review is included under separate cover within this meeting agenda. The 2025–2026 financial position is tracking well, with the review indicating a modest operating surplus.

- **Financial Forecast and Strategic Planning**

In accordance with the provisions of the Local Government Amendment Act 2024, the Shire will undertake a review of key financial and strategic documents, including the Long-Term Financial Plan, as part of preparation for the upcoming financial year and the development of the Council Plan. The Shire has commenced a Community Survey, which will inform planned community consultation activities scheduled for March 2026. Feedback gathered through this process will be collated and used to support forward planning for both capital works and operational budgets.

Risk Management

- **Business Continuity Plan (BCP)**

The development of the Shire's Business Continuity Plan is currently underway, with a first draft scheduled to be presented at the next Audit, Risk and Improvement Committee meeting.

- **Risk Controls – Fraud and Corruption Prevention**

A review and redevelopment of procedures, with a specific focus on procurement, has commenced. It is anticipated that a revised policy and supporting documentation will be presented to the Committee at the next meeting. Existing operating protocols are currently being tested and refined to ensure they remain fit for purpose.

- **Cyber Risk and Information Security**

In late December 2025, the Shire received a LGIS Cyber Security Assessment, which is attached under confidential cover for reference. Consultation has occurred with the Shire's ICT service provider regarding the development of an updated IT Strategy, with a draft also attached under confidential cover. The strategy has been informed by the LGIS assessment findings, with anticipated system improvements to be considered as part of the 2026–2027 budget process.

- **Internal Audit**

High-risk audit areas, including Procurement and Contract Management and IT Security, remain a priority. To strengthen governance, transparency and system security, the Shire has subscribed to VendorPanel, enabling improved management of requests for quotations, tenders and expressions of interest. The procurement module is supported by an integrated contract management module, improving oversight and consistency in contract administration.

Governance and Legislative Compliance

- **Compliance Audit Return (CAR)**

The submission deadline for the 2025 Annual Compliance Audit Return (CAR) has been extended to September 2026, following the implementation of the Local Government Amendment Act 2024.

- **Central Records Management**

A draft Records Management Policy has been submitted to State Records for review. While the

policy broadly meets prescribed standards in principle, further refinement and amendments are required prior to presentation to the Committee at the next meeting.

- **Policy Framework**

The Shire's Policy Manual was previously tabled before Council and set aside for further review. A comprehensive review is underway, with the intent to update or replace existing policies, reclassify certain policies as Business Operating Procedures, and remove those no longer required. Priority has been given to key statutory policies, while ad hoc updates continue to ensure ongoing compliance with legislative requirements.

- **Continuous Improvement**

A functional review of the Administration has been completed and will be reported to Council at the March Ordinary Meeting. While this does not align with the ARIC meeting schedule, the Committee will be separately briefed on the outcomes. In addition, a draft Operational Enhancement Program has been developed and is attached under confidential cover for the Committee's information.

FINANCIAL

Nil.

RISK

Risk is under management in accordance with sectional headings.

POLICY

Nil

STATUTORY

Local Government Act 1995

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

4.2.3 Strategic Resource Plan - ratios

4.2.2 Financial sustainability in achieving community aspirations

COMMENT

This report is designed to provide the Audit, Risk & Improvement Committee an update of current activities that relate to the agreed ARIC workplan.

CONSULTATION

Nil

11 BUSINESS OF AN URGENT NATURE

12 CLOSE OF MEETING

12.1 DATE OF NEXT MEETING

12.2 CLOSURE