

# AUDIT, RISK AND IMPROVEMENT COMMITTEE

## Agenda



Meeting Date Tuesday 22  
September 2026  
Meeting Time 4:00 pm

To be held at Chapman Valley  
Administration Office  
3270 Chapman Valley Road,  
Nabawa WA 6532, Council  
Chambers.



SHIRE OF  
**Chapman Valley**  
*love the rural life!*

## ACKNOWLEDGEMENT OF COUNTRY

The Shire of Chapman Valley would like to respectfully acknowledge the Naaguja peoples who are the traditional owners and first people of the land on which we stand.

We would like to pay our respect to the elders past, present and emerging for they hold the memories, the traditions, the culture and hopes of the Naaguja peoples.

## DISCLAIMER

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

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council Meeting does so at that person's or legal entity's own risk.

The Shire of Chapman Valley warns that anyone who has any application or request with the Shire of Chapman Valley must obtain and should rely on written confirmation of the outcome of the application or request of the decision made by the Shire of Chapman Valley.

## COMMITTEE PURPOSE & DELEGATIONS

To provide a review of Council's ongoing financial situation, provide a forum for ongoing review of strategic management plan for Council operations and discuss the Audit System.

- Delegations – Nil

The Finance, Audit & Risk Management Committee is comprised of:

Cr Batten

Cr Blakeway

Cr Elliott-Lockhart

Cr Rodney

Kenn Donohoe – External, Independent Member (Chair)

### Observers

CEO

Manager Finance & Corporate Services

|           |                                                                                        |           |
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| <b>1</b>  | <b>Declaration of Opening &amp; Announcements of Visitors .....</b>                    | <b>6</b>  |
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## 1 Declaration of Opening & Announcements of Visitors

The Presiding member will welcome elected members and staff to the committee meeting and declare the meeting open.

*“The Shire of Chapman Valley would like to respectfully acknowledge the Naaguja peoples who are the traditional owners and first people of the land on which we stand.*

*We would like to pay our respect to the elders past, present and emerging for they hold the memories, the traditions, the culture and hopes of the Naaguja peoples.”*

## 2 Announcements from the Presiding Member

### 3 Record of Attendance

#### 3.1 Attendees

The following are anticipated to attend the Finance, Audit & Risk Management Committee Meeting:

#### **Elected Members**

Cr Batten

Cr Blakeway

Cr Elliott-Lockhart

Cr Rodney

#### **External**

Kenn Donohoe – Independent Member (Chair)

#### **Officers**

Jamie Criddle, Chief Executive Officer

Dianne Raymond, Manager Finance & Corporate Services

#### 3.2 Apologies

## 4 Disclosure of Interest

### **Local Government Act 1995**

### **Administration Part 5**

### **Disclosure of financial interests and gifts Division 6**

### **s. 5.59**

Members should fill in Disclosure of Interest forms for items in which they have a financial, proximity or impartiality interest and forward these to the Presiding Member before the

meeting commences.

**Section 5.60A:**

“a person has a financial interest in a matter if it is reasonable to expect that the matter will, if dealt with by the local government, or an employee or committee of the local government or member of the council of the local government, in a particular way, result in a financial gain, loss, benefit or detriment for the person.”

**Section 5.60B:**

“a person has a proximity interest in a matter if the matter concerns –

(a) a proposed change to a planning scheme affecting land that adjoins the person’s land;  
or (b) a proposed change to the zoning or use of land that adjoins the person’s land; or  
(c) a proposed development (as defined in section 5.63(5)) of land that adjoins the person’s land.”

**Regulation 34C (Impartiality):**

“interest means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.”

## **5 Petitions/Deputations/Presentations**

### **5.1 Petitions**

The Council has not received any petitions at the time of writing this report

### **5.2 Presentations**

The Council does not anticipate any presentations at the time of writing this report.

### **5.3 Deputations**

The Council has not received any deputations at the time of writing this report.

## **6 Confirmation of Minutes from previous meetings**

### **Recommendation**

That the Minutes of the Finance, Audit and Risk Management Committee Meeting held on 9 December 2025 be confirmed as true and accurate.



# AUDIT, RISK AND IMPROVEMENT COMMITTEE

## Minutes



Meeting Date - 9 December 2025

Meeting Time - 4pm

Held at Nabawa, Council Chambers and via TEAMS

## ACKNOWLEDGEMENT OF COUNTRY

The Shire of Chapman Valley would like to respectfully acknowledge the Naaguja peoples who are the traditional owners and first people of the land on which we stand.

We would like to pay our respect to the elders past, present and emerging for they hold the memories, the traditions, the culture and hopes of the Naaguja peoples.

## DISCLAIMER

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Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council Meeting does so at that person's or legal entity's own risk.

The Shire of Chapman Valley warns that anyone who has any application or request with the Shire of Chapman Valley must obtain and should rely on written confirmation of the outcome of the application or request of the decision made by the Shire of Chapman Valley.

Audit, Risk and Improvement Committee - 9 December 2025 - Minutes

## COMMITTEE PURPOSE & DELEGATIONS

The Committee's objectives are to:

- Assist Council in fulfilling its oversight responsibilities.
- Promote transparency, accountability, and continuous improvement.
- Ensure effective risk management and internal control systems.
- Monitor compliance with relevant legislation and regulations.

- Delegations – Nil

The Audit, Risk & Improvements Committee is comprised of:

4x Councillors

Cr Batten

Cr Rodney

Cr Blakeway

Cr Elliott-Lockhart

Andrew Cambell - External, Independent Member (Chair)

### Observers

CEO

Manager Finance & Corporate Services

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|                                                                                              |           |
|----------------------------------------------------------------------------------------------|-----------|
| <b>1 Declaration of Opening &amp; Announcements of Visitors .....</b>                        | <b>5</b>  |
| <b>2 Announcements from the Presiding Member.....</b>                                        | <b>5</b>  |
| <b>3 Record of Attendance .....</b>                                                          | <b>5</b>  |
| 3.1 Attendees .....                                                                          | 5         |
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| <b>5 Petitions/Deputations/Presentations .....</b>                                           | <b>5</b>  |
| 5.1 Petitions .....                                                                          | 5         |
| 5.2 Presentations .....                                                                      | 6         |
| 5.3 Deputations .....                                                                        | 6         |
| <b>6 Confirmation of Minutes from previous meetings .....</b>                                | <b>6</b>  |
| <b>7 Items to be dealt with En Bloc .....</b>                                                | <b>6</b>  |
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| <b>10 Closure.....</b>                                                                       | <b>22</b> |

Audit, Risk and Improvement Committee - 9 December 2025 - Minutes

## 1 Declaration of Opening & Announcements of Visitors

The Presiding Member welcomed elected members, staff and visitors to the Finance Audit & Risk Management Committee meeting and declaring the meeting open at 4:04 pm.

The Shire acknowledged the traditional landowners through the reading of our Acknowledgement of Country.

*"The Shire of Chapman Valley would like to respectfully acknowledge the Naaguja peoples who are the traditional owners and first people of the land on which we stand.*

*We would like to pay our respect to the elders past, present and emerging for they hold the memories, the traditions, the culture and hopes of the Naaguja peoples."*

## 2 Announcements from the Presiding Member

Nil

## 3 Record of Attendance

### 3.1 Attendees

The following attended the committee meeting:

#### Elected Members

Cr Nicole Batten  
Cr Philip Blakeway  
Cr Elizabeth Elliott-Lockhart  
Cr Emma Rodney

#### External

Andrew Campbell - Independent Member (Chair)

#### Officers

Jamie Criddle, Chief Executive Officer  
Beau Raymond, Financial & Digital Systems Coordinator

#### Visitors

Nil

### 3.2 Apologies

Dianne Raymond, Manager Finance & Corporate Services

## 4 Disclosure of Interest

Nil

Audit, Risk and Improvement Committee - 9 December 2025 - Minutes

## **5 Petitions/Deputations/Presentations**

### **5.1 Petitions**

The council has not received any petitions.

### **5.2 Presentations**

The council did not accept any presentations in the course of the meeting.

### **5.3 Deputations**

The council did not receive any deputations in the course of the meeting

## **6 Confirmation of Minutes from previous meetings**

### **Committee Resolution**

**Moved:** Cr Emma Rodney    **Seconded:** Cr Nicole Batten

That the Minutes of the Finance, Audit and Risk Management Committee Meeting held on 23 December 2024 be confirmed as true and accurate.

**For** Cr Nicole Batten, Cr Philip Blakeway, Cr Elizabeth Elliott-Lockhart, Cr Emma Rodney and Andrew Campbell

**Against** Nil

5 / 0

**CARRIED UNANIMOUSLY**  
**Minute Reference ARIC 2025/12-1**

## **7 Items to be dealt with En Bloc**

Nil

Audit, Risk and Improvement Committee - 9 December 2025 - Minutes

## 8 Officers Reports

| 8.1           | Independent Auditors Report 30 June 2025                              |
|---------------|-----------------------------------------------------------------------|
| Department    | Finance, Governance & Corporate Services<br>Finance                   |
| Author        | Dianne Raymond                                                        |
| Reference(s)  | 305.00                                                                |
| Attachment(s) | 1. Opinion - Shire of Chapman Valley - 30 June 2025 [8.1.1 - 3 pages] |

### Voting Requirements

Simply Majority

### Staff Recommendation

That Audit, Risk and Improvement Committee recommends to the Council that the Independent Audit Report for the year ending June 2025 be received.

### Committee Resolution

**Moved:** Cr Nicole Batten    **Seconded:** Cr Elizabeth Elliott-Lockhart

That Audit, Risk and Improvement Committee recommends to the Council that the Independent Audit Report for the year ending June 2025 be received.

**For** Cr Nicole Batten, Cr Philip Blakeway, Cr Elizabeth Elliott-Lockhart, Cr Emma Rodney and Andrew Campbell  
**Against** Nil

5 / 0  
**CARRIED UNANIMOUSLY**  
Minute Reference ARIC 2025/12-2

### Disclosure of Interest

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

### Background

The Shire of Chapman Valley has received the Independent Audit Report from its Auditors: Nexia Perth preformed this audit on behalf of the Office of Auditor General.

Audit, Risk and Improvement Committee - 9 December 2025 - Minutes

### **Comment**

Councillors, Chief Executive Officer, Manager of Finance & Corporate Services met (via TEAMS) with representatives from the Office of Auditor General for Western Australia (OAG) and the OAG and Nexia Perth, on 3 December 2025 for an audit exist meeting. Both the OAG and Nexia Perth reported on Key Audit Risks and Focas Areas as outlined in the original Audit Strategy Memorandum.

The shire has now received the independent audit opinion for an unmodified set of financial statements for the year ended 30 June 2025; of which is an extract below:

In my opinion, the financial report :

- is based on proper accounts and records
- presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2025 and its financial position at the end of that period
- is in accordance with the *Local Government Act 1995* (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.

### **Statutory Environment**

Local Government Act 1995 Section 6.4

### **Policy/Procedure Implications**

No Policy or Management Procedure affected.

### **Financial Implications**

#### **Long Term Financial Plan**

No major effect is anticipated on the Long-Term Financial Plan.

### **Strategic Implications**

Ensuring the long-term financial sustainability of the Shire of Chapman Valley is critical to maintaining future service delivery for its constituents. The annual audit plays a pivotal role in assessing progress against the Shire's integrated strategic planning, providing valuable insights into its ongoing financial health and capacity to meet future objectives.

### **Strategic Community Plan/Corporate Business Plan Implications**

### **GOVERNANCE & ACCOUNTABILITY**

5.1 Ensure governance and administration systems, policies and processes are current and relevant.

5.1.1 Review policy categories and set ongoing accountability for review processes.

Audit, Risk and Improvement Committee - 9 December 2025 - Minutes

## **GOVERNANCE & ACCOUNTABILITY**

5.3 Make informed decisions within resources and areas of responsibility.

5.3.2 Regular and relevant briefings to Elected Members.

### **Consultation**

Council staff have been in contact and discussion with the Office of Auditor General and Nexus auditors throughout the audit review process.

### **Risk Assessment**

An Insignificant Compliance Risk of Level 1 - Which will likely result in no noticeable regulatory or statutory impact.

Unconfirmed

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| 8.2 Auditors Management Report 30 June 2025 |                                                                                                                                                                                                           |
|---------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Department</b>                           | Finance, Governance & Corporate Services<br>Finance                                                                                                                                                       |
| <b>Author</b>                               | Dianne Raymond                                                                                                                                                                                            |
| <b>Reference(s)</b>                         | 305.00                                                                                                                                                                                                    |
| <b>Attachment(s)</b>                        | 1. Final Management Letter Attachment - Shire of Chapman Valley - 30 June 2025 (1) [8.2.1 - 2 pages]<br>2. Interim Management Letter to CEO - Shire of Chapman Valley - 30 June 2025 (1) [8.2.2 - 1 page] |

### Voting Requirements

Simply Majority

### Staff Recommendation

The Audit, Risk and Improvement Committee recommends to the Council that the Management Report for the year ending 30 June 2025 be received and actions taken on items listed endorsed.

### Committee Resolution

**Moved:** Cr Nicole Batten **Seconded:** Cr Elizabeth Elliott-Lockhart

The Audit, Risk and Improvement Committee recommends to the Council that the Management Report for the year ending 30 June 2025 be received and actions taken on items listed endorsed.

**For** Cr Nicole Batten, Cr Philip Blakeway, Cr Elizabeth Elliott-Lockhart, Cr Emma Rodney and Andrew Campbell  
**Against** Nil

5 / 0  
**CARRIED UNANIMOUSLY**  
Minute Reference ARIC 2025/12-3

### Disclosure of Interest

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

### Background

The Shire of Chapman Valley has received the Management Report from its Auditors Nexia Perth who performed this audit on behalf of the Officer of Auditor General (Please refer to Audit Report Letter).

The Shire of Chapman Valley is subject to audit by the Office of the Auditor General (OAG) in accordance with the Local Government Act 1995 (Part 7) and the Local Government (Audit) Regulations 1996, as amended by the Local Government Amendment (Auditing) Act 2017. These provisions mandate that all Western Australian local governments have their annual financial statements audited by the Auditor General or an appointed contractor.

Under section 7.12A of the Local Government Act, councils must examine the audit report, act on any matters raised, and publish a report on significant findings, including actions to address them, on the local government's website and provide a copy to the Minister for Local Government.

### **Comment**

Considerable discussion was undertaken this year in relation to project management. Effective project management and timely completion of initiatives are critical to ensuring accurate financial reporting and compliance with funding agreements. Delays can affect statutory obligations, financial statements, and future grant eligibility. To maintain accountability and meet acquittal requirements, councils need to adopt robust monitoring and reporting systems supported by clear governance processes.

Management oversight remains essential, as project delays and inadequate tracking can compromise compliance and financial integrity. It is prudent that management implement structured processes to monitor progress, identify risks early, and ensure corrective actions are taken promptly. This includes maintaining accurate documentation and internal controls to support audit evidence and reduce exposure to adverse findings.

The financial statements for the year were updated to align with Australian Accounting Standards, specifically AASB 15 and AASB 1058, which require grant funds with enforceable obligations and performance conditions to be treated as Contract Liabilities until obligations are met. Unspent capital grant funds are generally recorded as Capital Grant Liabilities under AASB 1058. These adjustments ensure compliance with current accounting requirements and improve transparency in financial reporting.

The Management Report for the year ended 30 June 2025 identified one finding rated as moderate, with no impact on the audit opinion. This finding relates to excessive annual leave balances, which pose operational and financial risks. Management has acknowledged the issue and committed to implementing leave management plans and proactive monitoring through payroll reporting to reduce this liability.

### **Management Report finding for the year ended 30 June 2025**

#### **1. Excessive annual leave balances**

#### **Finding**

During the audit, we noted that five employees had annual leave balances ranging from 355 to 959 hours. Collectively, these five employees account for 70% of the Shire's total annual leave liability at 30 June 2025.

**Rating: Moderate**

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### **Implication**

- Excess annual leave entitlements pose several risks to the Shire, including:
  - Health and safety concerns arising from employees not taking their leave
  - Increased financial liability due to salary increments and associated costs over time
- Reduced effectiveness of internal controls as key staff are not rotated, a preventative control against fraud.

The accumulation of large leave balances could create financial strain if significant amounts of leave are taken at the same time or within a short timeframe. Additionally, there is management risk to the Council if key personnel are on leave for extended periods.

### **Recommendation**

We recommend that management implement a process to regularly monitor excessive annual leave balances and take appropriate measures, such as developing leave management plans, to reduce the implications of excessive leave.

### **Management comment**

Management acknowledges the excessive annual leave balances and agrees with the recommendation. Management will implement appropriate measures to reduce this liability, including developing and implementing individual leave management plans and monitoring leave accruals through monthly payroll reports to proactively address excessive leave balances.

**Responsible person:** Dianne Raymond, Manager Finance & Corporate Services

**Completion date:** 30 June 2026

### **Statutory Environment**

Local Government Act 1995 Section 6.4

### **Policy/Procedure Implications**

No Policy or Management Procedure affected.

### **Financial Implications**

#### **Long Term Financial Plan**

No major effect is anticipated on the Long-Term Financial Plan.

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## **Strategic Implications**

### **Strategic Community Plan/Corporate Business Plan Implications**

#### **GOVERNANCE & ACCOUNTABILITY**

5.1 Ensure governance and administration systems, policies and processes are current and relevant.

5.1.1 Review policy categories and set ongoing accountability for review processes.

#### **GOVERNANCE & ACCOUNTABILITY**

5.3 Make informed decisions within resources and areas of responsibility.

5.3.1 Council and Shire process formally incorporate integrated plans as references.

5.3.2 Regular and relevant briefings to Elected Members.

#### **Consultation**

Council Staff have been in contact and discussion with council auditors throughout the audit review process.

#### **Risk Assessment**

An Insignificant Compliance Risk of Level 1 - Which will likely result in no noticeable regulatory or statutory impact.

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| 8.3 Audit Regulation 17 Systems and Procedures Review |                                                                                                                                                               |
|-------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Department</b>                                     | Finance, Governance & Corporate Services<br>Finance                                                                                                           |
| <b>Author</b>                                         | Dianne Raymond                                                                                                                                                |
| <b>Reference(s)</b>                                   | 305.00                                                                                                                                                        |
| <b>Attachment(s)</b>                                  | 1. Shire of Chapman Valley Audit Regulation 17 Final Report<br>October 2025 [8.3.1 - 35 pages]<br>2. Task List for Executive Discussion (1) [8.3.2 - 5 pages] |

### Voting Requirements

Simply Majority

### Staff Recommendation

That the Audit, Risk and Improvement Committee receives the Audit Regulation 17 final report and endorses the actions for continuous improvement and compliance as outlined by the independent consultant.

### Committee Resolution

**Moved:** Andrew Campbell **Seconded:** Cr Philip Blakeway

That the Audit, Risk and Improvement Committee receives the Audit Regulation 17 final report and endorses the actions for continuous improvement and compliance as outlined by the independent consultant. A progress status report on these improvements is to be provided as part of the next committee meeting.

**For** Cr Nicole Batten, Cr Philip Blakeway, Cr Elizabeth Elliott-Lockhart, Cr Emma Rodney and Andrew Campbell

**Against** Nil

5 / 0

**CARRIED UNANIMOUSLY**  
**Minute Reference ARIC 2025/12-4**

### Disclosure of Interest

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

### Background

In line with Regulation 17 of the Local Government (Audit) Regulations 1996, the CEO must review the appropriateness and effectiveness of local government systems and procedures regarding risk management, internal control, and legislative compliance every three years.

The Shire engaged Badgemore Consulting to undertake this review, the findings of which are now submitted to the Committee.

*Regulation 17 CEO to review certain systems and procedures*

*(1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*

*(a) risk management; and*

*(b) internal control; and*

*(c) legislative compliance.*

*(2) The review may relate to any or all of the matters referred to in sub regulation*

*(1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.*

*(3) The CEO is to report to the audit committee the results of that review.*

**Comment**

The review's objective was to assess current policies, practices, and procedures; to confirm adequacy and effectiveness; and to identify areas for improvement in risk management, internal controls, segregation of duties, legislative compliance, and fraud mitigation controls.

The audit Regulation 17 final report for the Shire of Chapman Valley, prepared by Badgemore Consulting, has been completed in accordance with the Local Government Audit Regulations 1996 requirements. The consultant's review evaluated the effectiveness and appropriateness of systems and procedures in risk management, internal control, and legislative compliance. Recommendations for strengthening these areas were provided, and timely action is advised to ensure compliance and continuous improvement. Below is a summary of these findings:

- The Shire has core systems and frameworks for risk management and internal control, but more regular reviews and wider staff engagement are required.
- Key recommendations include updating risk management policy to reflect the current ISO standard, formally adopting risk criteria and appetite, regularly updating the risk register, and introducing or strengthening education and reporting around risk management.
- Recommendations also cover expanding business continuity testing, formalising IT recovery procedures, broadening finance policy guidance, and developing a dedicated Fraud, Corruption, and Misconduct policy.
- Internal control recommendations highlight the need to update the Delegation Register, develop terms of reference for the Audit, Risk & Improvement Committee, and improve information technology and staff performance review processes.

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- Legislative compliance is fundamentally sound, and no major non-compliances were found, but process documentation and assurance systems should be enhanced for continuity and resilience.

To commence the improvement process based on higher risk factors identified in the Badgemore Consulting final report, the following priority tasks are recommended to be actioned first. Each task is directly linked to areas considered to represent significant or moderate risks to the Shire's operations and compliance within the report.

Priority Improvement Tasks as identified by the Manager Finance & Corporate Services

- Update the Risk Management Policy to reflect the new ISO Standard (AS/NZS ISO 31000:2018), reviewing risk criteria and escalation processes, complemented by systematic monitoring and reporting
- Conduct and formally report an annual review of the Corporate Risk Register, including operational and environmental risks
- Develop a Fraud, Corruption and Misconduct Policy, supporting procedures and an Integrity Framework; ensure all new employees sign the Code of Conduct
- Ensure annual performance reviews are conducted for all officers, identifying further training needs as part of a continuous improvement process
- Address outstanding recommendations from the Dry Kirkness Financial Management Review Report (Regulation 5), prioritised and tracked in a new Audit Actions Register
- Broaden Finance Policy, Procedures and Guideline Manual to cover key finance processes and internal controls (suppliers, purchasing, budgeting, payroll, reconciliations)
- Update the Delegations Register on the Shire website, ensuring the latest version is available and approved
- Develop a Terms of Reference for the Audit, Risk and Improvement Committee, to clarify governance and accountability roles
- Enhance information system access controls by creating an Information Technology policy and guidelines manual
- Initiate regular testing of the Business Continuity Plan, including crisis scenarios for IT data breaches and cloud backup recovery

### **Statutory Environment**

The report complies with the requirements of the:

Local Government Act 1995

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### **Policy/Procedure Implications**

A Policy or Procedure is affected:

HR & Induction Policy & Procedures

Finance Policy & Procedures

### **Financial Implications**

No Financial Implications Identified.

### **Strategic Implications**

### **Strategic Community Plan/Corporate Business Plan Implications**

#### **GOVERNANCE & ACCOUNTABILITY**

5.1 Ensure governance and administration systems, policies and processes are current and relevant.

5.1.1 Review policy categories and set ongoing accountability for review processes.

### **Consultation**

Council staff consulted in the review process as requested by the external reviewer were Chief Executive Officer, Manager Finance & Corporate Services, Finance & Digital Services Coordinator, Work Health & Safety Coordinator

### **Risk Assessment**

An Insignificant Compliance Risk of Level 1 - Which will likely result in no noticeable regulatory or statutory impact.

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|                      |                                                                       |
|----------------------|-----------------------------------------------------------------------|
| <b>8.4</b>           | <b>2024/2025 Annual Report and Annual General Meeting of Electors</b> |
| <b>Department</b>    | Finance, Governance & Corporate Services<br>Finance                   |
| <b>Author</b>        | Dianne Raymond                                                        |
| <b>Reference(s)</b>  | 413.01                                                                |
| <b>Attachment(s)</b> | 1. ARIC Agenda Annual Report 2024-2025 [8.4.1 - 75 pages]             |

#### **Voting Requirements**

Staff Recommendation 1 – **Absolute Majority**

Staff Recommendation 2 – **Simple Majority**

#### **Staff Recommendation**

Staff Recommendation 1 (Absolute Majority Vote Required)

The Audit, Risk and Improvement Committee recommends to the Council that is

1. Accepts the Annual Report for the 2024/2025 Financial Year as required by s5.54 of the Local Government Act 1995 as presented.

Staff Recommendation 2 (Simple Majority Vote Required)

The Audit, Risk & Improvement Committee recommends to the Council that it

1. Receives and accepts the Auditors Financial Report for 2024/2025;
2. Receives and accepts the Auditors Management Report 2024/2025;
3. Set the date for the Annual General Management of Electors for **insert date 2026** commencing at 6.00pm at the Nabawa Council Chamber and advertise this meeting accordingly.
4. Request the CEO give local public notice of the availability of the Annual Report as required by s5.55 of the act.

Provides a copy of the SHire of Chapman Valley 2024/2025 Annual Report to the Director General of the Department of Local Government.

#### **Committee Resolution**

**Moved:** Cr Nicole Batten    **Seconded:** Cr Emma Rodney

The Audit, Risk and Improvement Committee recommends to the Council that it

1. Accepts the Annual Report for the 2024/2025 Financial Year as required by s5.54 of the Local Government Act 1995 as presented.

**For** Cr Nicole Batten, Cr Philip Blakeway, Cr Elizabeth Elliott-Lockhart, Cr Emma Rodney and Andrew Campbell

**Against** Nil

**5 / 0**

Audit, Risk and Improvement Committee - 9 December 2025 - Minutes

**CARRIED UNANIMOUSLY**  
**Minute Reference ARIC 2025/12-5**

### **Council Resolution**

**Moved:** Cr Elizabeth Elliott-Lockhart    **Seconded:** Cr Nicole Batten

The Audit, Risk & Improvement Committee recommends to the Council that it

1. Receives and accepts the Auditors Financial Report for 2024/2025;
2. Receives and accepts the Auditors Management Report 2024/2025;
3. Set the date for the Annual General Management of Electors for 06/02/2026 commencing at 6.00pm at the Nabawa Council Chamber and advertise the meeting accordingly.
4. Request the CEO give local public notice of the availability of the Annual Report as required by s5.55 of the act.

**For** Cr Nicole Batten, Cr Philip Blakeway, Cr Elizabeth Elliott-Lockhart, Cr Emma Rodney and Andrew Campbell

**Against** Nil

**5 / 0**  
**CARRIED UNANIMOUSLY**  
**Minute Reference ARIC 2025/12-6**

### **Disclosure of Interest**

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

### **Background**

The purpose of this item is to accept the Shire of Chapman Valley 2024/2025 Annual Report, receive the Auditors Report and Management Letter and set a date/time for the Annual General Meeting of Electors.

When considering setting a date for the Annual General Meeting of Electors it is a requirement of s5.27 'Electors General Meeting' of the Local Government Act 1995 this meeting can be no later than 56 days after accepting the Annual Report (12 December 2025 next Ordinary meeting of Council).

### **Comment**

The recommendation is suggesting the date, time and location to hold the Annual Electors Meeting of Electors as being:

- 6 February 2026
- Commencing at 6.00pm
- Council Chambers, Nabawa

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- Bearing in mind that the Act stipulated the Annual General Meeting of Electors must be held not more than 56 days after the local government accepts the annual report for the previous financial year. Therefore, the latest date the meeting could be held is the 6 February 2026.

It is important to maximise attendances at the Annual General Meeting of Electors by constituents, hence the recommendation has suggested a date and time, which is in the evening, after the harvest and school holiday period.

### **Statutory Environment**

No Financial Implications Identified.

### **Policy/Procedure Implications**

No Policy or Management Procedure affected.

### **Financial Implications**

No Financial Implications Identified.

Nil effect on the Long-Term Financial Plan

### **Strategic Implications**

It is considered appropriate to conduct the Annual General Meeting of Electors to retain open and accountable governance and communication with the Shire's constituents.

### **Strategic Community Plan/Corporate Business Plan Implications**

#### **GOVERNANCE & ACCOUNTABILITY**

5.1 Ensure governance and administration systems, policies and processes are current and relevant.

5.1.1 Review policy categories and set ongoing accountability for review processes.

### **Consultation**

The Shire President, relevant staff and the Shire's Auditors have been consulted and had input into the development of the 2024/2025 Annual Report.

### **Risk Assessment**

An Insignificant Compliance Risk of Level 1 - Which will likely result in no noticeable regulatory or statutory impact.

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- Insignificant risk of non-compliance with legislation to complete this activity in accordance with the Local Government Act and associated Regulations.
- Insignificant risk of not conducting the Annual General Meeting of Electors at an appropriate time/date to provide constituents to opportunity to attend.

Unconfirmed

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## **9 New Business of an Urgent Nature Introduced by Decision of the Meeting**

Nil

## **10 Closure**

The Presiding Member thanked Elected Members and Staff for their attendance and closed the Audit, Risk and Improvement Committee - 9 December 2025 at 4:34 pm.

Unconfirmed

## **7 Items to be dealt with En Bloc**

## 8 Officers Reports

| 8.1           | Compliance Audit Return 2025                                            |
|---------------|-------------------------------------------------------------------------|
| Department    | Finance, Governance & Corporate Services<br>Administration & Governance |
| Author        | Jamie Criddle                                                           |
| Reference(s)  | 407.04                                                                  |
| Attachment(s) | 1. Compliance Audit Return L G- CA R-585966 [8.1.1 - 22 pages]          |

### Voting Requirements

Simply Majority

### Staff Recommendation

That the Audit, Risk and Improvement Committee:

1. Reviews and endorses the Compliance Audit Return for the period 1 January to 31 December 2025, as contained in ATTACHMENT: 1
2. Notes that the Committee is satisfied with the Compliance Audit Return following its review and has no further recommendations in relation to the matters contained within the Return; and
3. Recommends that Council adopt the Compliance Audit Return as presented in ATTACHMENT: 1 in accordance with regulation 14 of the Local Government (Audit) Regulations 1996.

### Disclosure of Interest

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

### Background

Each local government in Western Australia is required to undertake an annual compliance audit for the period from 1 January to 31 December and prepare a Compliance Audit Return (CAR) in the form approved by the Local Government Inspector.

The CAR is completed through a prescribed online questionnaire and assesses the local government's compliance with selected legislative requirements during the relevant calendar year. The return focuses on statutory compliance matters identified as being of particular governance and operational significance.

Under regulation 14 of the Local Government (Audit) Regulations 1996, the Chief Executive Officer is responsible for preparing the CAR and providing it to the Audit, Risk and Improvement Committee (ARIC). The ARIC must review the return and report the outcome of its review to Council, including any recommendations the Committee considers appropriate.

The completed 2025 CAR was prepared by Chief Executive Officer with assistance from Senior Staff.

The CAR is to be considered by the Audit, Risk and Improvement Committee at this meeting. The Committee will review the return and resolved to recommend its adoption by Council.

Following Council's adoption, the CAR must be signed by the Shire President and the Chief Executive Officer and submitted to the Local Government Inspector, together with:

- Any recommendations made by the ARIC in relation to the CAR;
- The relevant extract of the Council meeting minutes recording adoption of the CAR; and
- Any additional information explaining or qualifying the compliance audit, where applicable.

The deadline for submitting the 2025 CAR has been deferred to 30 September 2026.

## **Comment**

### **Legislative and governance context**

The Western Australian Government introduced significant reforms to the local-government audit and governance framework through the Local Government Amendment Act 2024 and associated regulations.

These reforms expanded the role of local government audit committees and established the statutory framework for Audit, Risk and Improvement Committees. The new framework broadens the committee's responsibilities beyond traditional external audit and financial-management matters to include risk management, governance, compliance and continuous improvement.

The amended ARIC provisions commenced on 1 January 2026, with a transition period ending on 30 June 2026. The requirement for ARIC review of the CAR is consistent with the Committee's broader statutory governance and assurance role.

### **Compliance Audit Return**

The attached 2025 CAR has been completed using the prescribed online questionnaire for the period 1 January 2025 to 31 December 2025.

The return is now presented to Council following review by the ARIC. Council is required to consider the CAR and may adopt the return as presented or amend it before adoption.

Subject to Council's resolution, the final CAR will be signed by the Shire President and Temporary Chief Executive Officer and submitted through the prescribed DLGSC online process by 30 September 2026.

## **Statutory Environment**

The report complies with the requirements of the:

Local Government Act 1995

Regulation 14 of the Local Government (Audit) Regulations 1996 requires a local government to conduct a compliance audit for each calendar year.

Following completion of the audit:

- The Chief Executive Officer must prepare a CAR in the form approved by the Local Government Inspector and provide it to the ARIC.
- The ARIC must review the CAR and report the results of that review to Council.
- The ARIC may make recommendations to Council in relation to the CAR.
- Council must consider and adopt the CAR, with or without amendment.
- Following adoption, the local government must provide the Local Government Inspector with the signed CAR, any ARIC recommendations, the relevant Council minutes, and any additional explanatory or qualifying information.

While CAR material is ordinarily due by 31 March following the reporting period, the deadline for the CAR covering 1 January to 31 December 2025 has been deferred until 30 September 2026.

## **Policy/Procedure Implications**

No Policy or Management Procedure affected.

## **Financial Implications**

No Financial Implications Identified.

## **Strategic Implications**

### **Strategic Community Plan/Corporate Business Plan Implications**

#### **GOVERNANCE & ACCOUNTABILITY**

5.3 Make informed decisions within resources and areas of responsibility.

5.3.2 Regular and relevant briefings to Elected Members.

## **Consultation**

Executive Staff

## **Risk Assessment**

A Minor Compliance Risk of Level 2 - Which will likely result in some temporary non-compliance.



**Local Government  
Inspector**

## 2025 Compliance Audit Return

**Local Government Authority:** The Shire of Chapman Valley

### ***Local Government Act 1995***

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#### **s. 2.29**

Has every person elected or appointed to a mayor, president, deputy, or councillor role made the required declaration in the prescribed form before a prescribed person, prior to acting in the office?

**Response:** Yes

#### **s. 3.16**

Has the local government reviewed local laws, which have not been reviewed in the previous 8 years, to ensure compliance with Schedule 9.3, Clause 65?

**Response:** Yes

**Comments:** Currently under Review process

#### **s.3.57**

Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?

**Response:** Yes

#### **s. 3.58(3)**

Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)?

**Response:** Yes

#### **s. 3.58(4)**

Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4) of the Act, in the required local public notice for each disposal of property?

**Response:** Yes

**s. 3.59(2)(a)**

Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2025?

**Response:** N/A

**s. 3.59(2)(b)**

Has the local government prepared a business plan for each major land transaction that was not exempt in 2025?

**Response:** N/A

**s. 3.59(2)(c)**

Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2025?

**Response:** N/A

**s. 3.59(4)**

Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2024?

**Response:** N/A

**s. 3.59(5)**

During 2025, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?

**Response:** N/A

**s. 5.16 (1)**

Were all delegations to committees resolved by absolute majority?

**Response:** Yes

**s. 5.16 (2)**

Were all delegations to committees in writing?

**Response:** Yes

**s. 5.17**

Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995?

**Response:** Yes

**s. 5.18**

Were all delegations to committees recorded in a register of delegations?

**Response:** Yes

**s. 5.36(4) and s. 5.37(3)**

Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?

**Response:** N/A

**s. 5.37(2)**

Did the CEO inform council of each proposal to employ or dismiss senior employee?

**Response:** N/A

Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?

**Response:** N/A

**s. 5.39B**

Has the local government adopted and maintained model standards that incorporate the prescribed model standards within required timeframes (including amendments), ensured adoption by absolute majority, published an up-to-date version on its official website, and avoided including any inconsistent additional provisions?

**Response:** Yes

**s. 5.42**

Were all delegations to the CEO resolved by an absolute majority?

**Response:** Yes

Were all delegations to the CEO in writing?

**Response:** Yes

**s. 5.43**

Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995?

**Response:** Yes

**s. 5.44(2)**

Were all employees delegated authority by the CEO under Section 5.44(1), issued with a written instrument of delegation?

**Response:** Yes

**s. 5.45(1)(b)**

Were all decisions by the Council to amend or revoke a delegation made by absolute majority?

**Response:** Yes

**s. 5.46**

Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?

**Response:** Yes

Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2024/2025 financial year?

**Response:** Yes

Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19?

**Response:** Yes

**s. 5.50**

If the local government paid a finishing employee an amount in addition to their entitlement, did the local government follow a policy it had adopted and published on its website outlining the circumstances in relation to payments made to terminated employees?

**Response:** N/A

If the local government made a payment to a finishing employee that is more than the amount set out in the policy, was local public notice given?

**Response:** N/A

**s. 5.51A**

Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government?

**Response:** Yes

Has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?

**Response:** Yes

**s. 5.67**

Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?

**Response:** Yes

**s. 5.68(2)**

Were all decisions regarding participation approval in relation to Section 5.68(2), including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting?

**Response:** Yes

**s. 5.69(5)**

Were all decisions regarding participation approval in relation to Section 5.69(5), including the extent of participation allowed recorded in the minutes of the relevant council or committee meeting?

**Response:** Yes

**s. 5.70**

Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?

**Response:** Yes

**s. 5.71B(5) and (7)**

Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?

**Response:** N/A

Was any decision made by the Minister under section 5.71B(6) of the Local Government Act 1995, recorded in the minutes of the council meeting at which the decision was considered?

**Response:** N/A

**s. 5.73**

Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made?

**Response:** Yes

**s. 5.75**

Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?

**Response:** Yes

**s. 5.76**

Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2025?

**Response:** Yes

**s. 5.77**

On receipt of a primary or annual return, did the CEO, or the Mayor/President, as the case may be, give written acknowledgment of having received the return?

**Response:** Yes

**s. 5.88**

Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995?

**Response:** Yes

Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28?

**Response:** Yes

After a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person?

**Response:** Yes

Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?

**Response:** Yes

**s. 5.89A**

Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A?

**Response:** Yes

Did the CEO publish an up-to-date version of the gift register on the local government's website?

**Response:** Yes

**s. 5.90A**

Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?

**Response:** Yes

**s. 5.94**

Does the local government have information available for members of the public to inspect, free of charge as prescribed under section 5.94 and Admin Reg 29, except where restricted under this section?

**Response:** Yes

**s. 5.96**

Where a person is entitled to inspect information under this Division, can the local government confirm that copies are available and that the price at which it sells copies does not exceed the cost of providing them, (unless prescribed otherwise)?

**Response:** Yes

**s. 5.96A**

Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?

**Response:** Yes

**s. 5.104**

Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates that incorporates the model code of conduct?

**Response:** Yes

Did the local government adopt additional requirements in addition to the model code of conduct?

**Response:** Yes

Does it comply with section 5.104(3) and (4) of the Local Government Act 1995?

**Response:** Yes

Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website?

**Response:** Yes

**s. 5.128**

Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?

**Response:** Yes

**s. 7.12A(3), (4) and (5)**

Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?

**Response:** Yes

Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters?

**Response:** N/A

Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website?

**Response:** N/A

## ***Local Government (Administration) Regulations 1996***

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### **r. 18F**

Were the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995?

**Response:** N/A

### **r. 19AB**

Does the code of conduct contain the requirement that a local government employee (not including the CEO) must not accept a prohibited gift from an associated person?

**Response:** Yes

### **r. 19AC**

Does the local government's code of conduct include requirements for the recording, storing, disclosure, and use of information relating to gifts accepted by local government employees (excluding the CEO) from associated persons, in accordance with regulatory requirements?

**Response:** Yes

### **r. 19AE**

Does the local government's code of conduct include requirements addressing employee behaviour in the performance of duties, interactions with others, use and disclosure of information, use of local government resources and finances, the keeping of records, and the reporting and management of suspected breaches and misconduct, in accordance with regulatory requirements?

**Response:** Yes

### **r. 19B**

Did the local government include in its annual report all information required under section 5.53(2)(g) and (i) and regulation 3A(2), including number of employee's in salary bands over \$130,000, remuneration and allowances paid, ordered payments, CEO remuneration, council member meeting attendance, available demographic information about council members, and details of any modifications to the strategic community plan or significant modifications to the corporate business plan?

**Response:** Yes

### **r. 19C**

Has the local government adopted by absolute majority a strategic community plan?

**Response:** Yes

Adoption date or the date of the most recent review: 22/05/2025

**r. 19DA**

Has the local government reviewed its corporate business plan in accordance with Admin Regulation 19DA(4)?

**Response:** Yes

Date of review: 31/07/2025

Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?

**Response:** Yes

**r. 22**

No response required. This is covered by s5.75.

**r. 23**

No response required. This is covered by s5.76.

**r. 28**

No response required. This is covered by s5.88(1).

**r. 28A**

No response required. This is covered by s5.89A(1).

**r. 29**

No response required. This is covered by s5.94.

**r. 29C**

Does the local government publish all prescribed information on its official website— including up-to-date policies, required details of council member and employee returns, council member fees and allowances, and relevant public notices—within the specified timeframes and in accordance with legislative requirements?

**Response:** Yes

**r. 35**

Has every local government council member completed and passed the Council Member Essentials course, consisting of the five required modules and delivered by an approved provider, within 12 months of being elected?

**Response:** No

**Comments:** Those Councillors are registered for training to be completed by 28 October 2026

**r. 36**

Does the local government appropriately identify and document council members who are exempt from the training requirements under section 5.126(1), including verifying that the member:

- has completed an approved course within the specified 5-year period prior to election, or
- completed the LGASS00002 Elected Member Skill Set before 1 July 2019 within the relevant timeframe, or
- qualifies for the transitional exemption applicable to council members in office at the commencement of the 2019 regulatory amendments?

**Response:** Yes

## ***Local Government (Audit) Regulations 1996***

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### **r. 10**

Was the auditor's report for the financial year ending 30 June 2025 received by the local government within 30 days of completion of the audit?

**Response:** Yes

### **r. 17**

Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2025?

**Response:** Yes

Date of council's resolution to accept the report: 12/12/2025

## ***Local Government (Constitution) Regulations 1998***

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### **r. 11FA**

Did the CEO provide the Minister a report as to the result of the election within 14 days of the declaration and in the form of Form 20 of the Local Government (Elections) Regulations 1997, modified as necessary?

**Response:** Yes

### **r. 13**

Were all required oaths, affirmations and declarations under section 2.42 (in relation to Commissioners) made in the correct form (Form 8), before the appropriate authorised person?

**Response:** Yes

## ***Local Government (Elections) Regulations 1997***

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### **r. 30G**

Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997?

**Response:** Yes

Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997?

**Response:** N/A

Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997?

**Response:** Yes

## ***Local Government (Financial Management) Regulations 1996***

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**r. 5**

Has the CEO ensured efficient systems and procedures are established under provisions set out in Financial Management Regulations 5(1)(a) to (g)?

**Response:** Yes

**r. 6**

Has the local government ensured that any employee delegated responsibility for day-to-day accounting or financial management operations is not also delegated the responsibility for conducting internal audits, reviewing their own duties, or for managing, directing or supervising someone who carries out these functions?

**Response:** Yes

**r. 7**

Did the local government ensure it has regard to the needs of the inhabitants of the district as a whole and not keep separate ward accounts or determine expenditure on the basis of revenue from a ward?

**Response:** Yes

**r. 8**

Does the local government maintain separate accounts with a bank or other financial institution for money to be held in the municipal fund, trust fund and for reserve account purposes?

**Response:** Yes

**r. 9**

Did the local government keep separate financial records for each trading undertaking and each major land transaction?

**Response:** N/A

**r. 11**

Has the local government developed procedures for the authorisation of, and the payment of, accounts in accordance with Local Government (Financial Management) Regulations 11(1), (2) and (3)?

**Response:** Yes

**r. 12**

Were payments made from the municipal fund or trust fund made by the CEO under a delegated authority or authorised, in accordance with regulation 13(2), in advance by a council resolution?

**Response:** Yes

**r. 13**

Can the local government confirm that, where the CEO has been delegated authority to make payments from the municipal or trust fund, the CEO prepared accurate monthly lists that are presented at the next ordinary council meeting and recorded in the minutes?

- includes the payee's name, payment amount, payment date, and sufficient information to identify each transaction where payments have already been made; or
- includes the payee's name, payment amount, sufficient information to identify each transaction, and the date of the council meeting (to which the list will be presented) for accounts requiring council approval.

**Response:** Yes

**r. 13A**

Did the local government prepare a list each month of all payments made using employee-authorised credit, debit or other purchasing cards, and include the payee's name, the amount of the payment, the date of the payment, sufficient information to identify the payment, and present the list at the next ordinary council meeting (and record in the minutes)?

**Response:** Yes

**r. 19**

Has the local government established and documented internal control procedures to enable identification of the nature and location of all investments and any related transactions?

**Response:** Yes

**r. 19C**

Has the local government ensured that all investments made under section 6.14(1) comply with statutory restrictions set out in Financial Management Reg. 19C?

**Response:** Yes

## ***Local Government (Functions and General) Regulations 1996***

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**r. 7**

No response required. This is covered by s3.59(2).

**r. 9**

No response required. This is covered by s3.59(2).

**r. 10**

No response required. This is covered by s3.59(2).

**r. 11A**

Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?

**Response:** Yes

**r. 11**

No response required. This is covered by s3.57.

**r. 12**

Did the local government consider the implications of Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?

**Response:** Yes

**r. 14(1), (3) and (5)**

If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents, or each acceptable tenderer notice of the variation?

**Response:** Yes

**r. 15**

Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?

**Response:** Yes

**r. 16**

No response required. This is covered by r. 15.

**r. 17**

Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?

**Response:** Yes

**r. 18(1) and (4)**

Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?

**Response:** Yes

Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?

**Response:** Yes

**r. 19**

Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?

**Response:** Yes

**r. 21**

Does the local government's advertising and expression of interest processes for limiting who can tender comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?

**Response:** Yes

**r. 22**

No response required. This is covered by r. 21.

**r. 23**

Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?

**Response:** N/A

Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?

**Response:** N/A

**r. 24**

Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24?

**Response:** N/A

**r. 24AD(2), (4) and (6)**

Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions & General) Regulations 1996 regulations 24AD(4) and 24AE?

**Response:** N/A

If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?

**Response:** N/A

**r. 24AE**

No response required. This is covered by r. 24AD(2), (4) and (6).

**r. 24AF**

No response required. This is covered by r. 24AD(2), (4) and (6).

**r. 24AG**

Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG?

**Response:** Yes

**r. 24AH(1) and (3)**

Did the local government reject any applications to join a panel of prequalified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?

**Response:** N/A

Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?

**Response:** N/A

**r. 24AI**

Did the CEO send each applicant written notice advising them of the outcome of their application?

**Response:** Yes

**r. 24E**

Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?

**Response:** N/A

**r. 24F**

No response required. This is covered by r. 24E.

I certify this is a true and accurate copy of the 2025 Compliance Audit Return, as adopted by Council at the meeting of \_\_\_\_\_ 2026.

\_\_\_\_\_  
CEO

\_\_\_\_\_  
Date

\_\_\_\_\_  
Mayor or President

\_\_\_\_\_  
Date

| 8.2 Audit Regulation 17 & 5 Status Report |                                                                         |
|-------------------------------------------|-------------------------------------------------------------------------|
| <b>Department</b>                         | Finance, Governance & Corporate Services<br>Administration & Governance |
| <b>Author</b>                             | Jamie Criddle                                                           |
| <b>Reference(s)</b>                       | 407.04                                                                  |
| <b>Attachment(s)</b>                      | 1. Action Register Status Report - June 26 [8.2.1 - 7 pages]            |

### Voting Requirements

Simply Majority

### Staff Recommendation

That the Audit, Risk and Improvement Committee:

1. **Receives** the Quarterly Update on the Regulation 17 and Financial Management Review findings, including the Executive Summary & Action Plan at Attachment 1, the Financial Management Review report at Attachment 2 and the Audit Actions Register update at Attachment 3.
2. **Notes** that the March 2026 Financial Management Review concluded that the Shire has appropriate and effective financial management systems and procedures, while identifying nine improvement recommendations comprising one moderate-risk and eight low-risk recommendations.
3. **Notes** that, from 1 January 2026, the former regulation 5(2)(c) financial-management review requirement has been incorporated into the revised regulation 17 framework under the *Local Government (Audit) Regulations 1996*, and that Quantum Assurance advised the completed review satisfies the current regulation 17 requirements, with the next review due in 2029/30.
4. **Requests** that management continue to report progress through the Audit Actions Register, including completion evidence, overdue or deferred actions, revised due dates, responsible officers, interim controls and any matters requiring ARIC escalation.
5. **Requests** a specific progress update at the next ARIC meeting on the moderate-risk recommendation concerning Elected Members' expenses disclosure, the outstanding corporate transaction card policy and agreement actions, and the status of the key Regulation 17 actions due during 2026.

No officer declared an interest under the Local Government Act 1995, Subdivision 1 (LGA 1995) in the preparation of this report.

### Background

The March 2026 Financial Management Review undertaken by Quantum Assurance incorporated both an update of the Shire's 2025 Regulation 17 Systems and Procedures Review and additional financial-management testing previously undertaken under regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*.

The review concluded that the Shire has appropriate and effective financial management systems and procedures, with improvements identified. It recorded nine recommendations: one moderate-risk recommendation and eight low-risk recommendations. The review also confirmed that the work completed satisfies the current requirements of regulation 17 of the *Local Government (Audit) Regulations 1996*, with the next review not required until 2029/30.

The Regulation 17 Action Plan contains 21 actions across risk management, business continuity, ICT, financial processes, integrity, environmental risk, governance, internal controls and legislative compliance. Progress has been recorded against these actions through the Executive Team and SkyTrust, with completed actions and outstanding actions to continue to be reported to ARIC through the Audit Actions Register.

Of the nine Financial Management Review recommendations, four are recorded as completed or implemented, four remain in progress or subject to planned follow-up, and one moderate-risk item requires confirmation that the required treatment has been implemented and is operating effectively. ARIC is requested to receive the quarterly update and note the matters requiring continued monitoring.

Prior to 1 January 2026, regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* required the CEO to review the appropriateness and effectiveness of the Shire's financial-management systems and procedures at least once every three financial years and report the results to the local government.

From 1 January 2026, the former regulation 5(2)(c) requirement was removed. The amended regulation 17 of the *Local Government (Audit) Regulations 1996* now requires the CEO to review the appropriateness and effectiveness of the Shire's systems and procedures in relation to:

- financial management;
- legislative compliance; and
- risk management.

Each area must be reviewed at least once every four financial years, with the CEO required to report the results to ARIC.

Quantum Assurance was engaged to complete the Financial Management Review before the legislative change. With the Shire's approval, the engagement was amended to incorporate an update of the 2025 Regulation 17 Systems and Procedures Review and to address the revised regulation 17 requirements. The review covered the period January 2025 to January 2026 and assessed financial management, legislative compliance and risk management.

The Financial Management Review was finalised in March 2026 and signed by Quantum Assurance on 12 May 2026. Quantum Assurance concluded that the work performed satisfies the revised regulation 17 requirements and that the next review is not required until 2029/30.

## **Comment**

The review concluded that the Shire has appropriate and effective financial management systems and procedures, with some improvements noted, most of which were in progress at the time of the review.

Testing confirmed that systems and procedures were operating appropriately in a number of key areas, including:

- bank accounts, trust funds and reserve accounts;
- fixed assets;
- inventory controls;
- payroll controls;
- creditors, procurement and payment processes;
- rates invoicing and debt collection; and
- GST processes.

The review also noted measures in place to manage the related-party relationship between the Manager Finance & Corporate Services (MFCS) and Financial & Digital Systems Coordinator (FDSC), including separation of tasks and authorisations where practicable, CEO approval of system changes and journals, and the development of additional capability to support segregation of duties.

### FM Review Recommendations

The nine recommendations from the Financial Management Review are summarised below. They are to be maintained in the Audit Actions Register, with evidence of completion retained and progress reported to ARIC.

| Ref. | Area                        | Risk rating | Required action                                                                                                    | Management status recorded in the review                 | ARIC monitoring focus                                                                       |
|------|-----------------------------|-------------|--------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------|---------------------------------------------------------------------------------------------|
| 1    | Corporate transaction cards | Low         | Amend CMP-021 to require suspension of credit cards for staff on extended leave.                                   | Policy modification identified for the May 2026 meeting. | Confirm policy amendment was adopted and communicated to relevant officers and cardholders. |
| 2    | Corporate transaction cards | Low         | Amend CMP-021 to update the referenced responsible officer from the former Executive Manager Corporate & Community | Policy modification identified for the May 2026 meeting. | Confirm policy amendment was adopted.                                                       |

|   |                                                |          |                                                                                                                                                                                         |                                                                                                                                                                                                |                                                                                                                                  |
|---|------------------------------------------------|----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------|
|   |                                                |          | Services to the MFCS.                                                                                                                                                                   |                                                                                                                                                                                                |                                                                                                                                  |
| 3 | Corporate transaction cards                    | Low      | Obtain signed credit-card agreements for the CEO and MFCS.                                                                                                                              | Due October 2026. The bank was contacted but was unable to locate agreements held on hand and was to make further enquiries.                                                                   | Monitor completion by the due date; retain newly executed agreements or documented evidence of alternative control arrangements. |
| 4 | Depot inventory security                       | Low      | Consider whether locking the Depot gates during the day is practical to enhance security.                                                                                               | Completed. The Shire determined that daytime locking was not practical due to high traffic movements; movement-activated CCTV is in place and the diesel tank is secured behind a locked gate. | Record the documented risk assessment and closure rationale, including CCTV and physical-security controls.                      |
| 5 | Elected Members' fees, allowances and expenses | Moderate | Seek clarification on the interpretation of direct Shire-paid Elected Member expenses that should be included in the Register of Fees, Allowances and Expenses Paid to Elected Members. | Due May 2026. Management response states that fees, allowances and conference expenses will be reported through the Compliance Hub.                                                            | Confirm the source of clarification, update the register and website disclosure practice as required, and verify implementation. |
| 6 | Elected Members' fees, allowances              | Low      | Publish the Register of Fees, Allowances and Expenses Paid to                                                                                                                           | Completed.                                                                                                                                                                                     | Verify current website publication and include this                                                                              |

|   |                              |     |                                                                                                                                  |                                                                           |                                                                                                                              |
|---|------------------------------|-----|----------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|
|   | and expenses                 |     | Elected Members on the Shire website.                                                                                            |                                                                           | requirement in the annual compliance process.                                                                                |
| 7 | Employee Code of Conduct     | Low | Require employees to acknowledge compliance with the Employee Code of Conduct as part of induction, preferably through SkyTrust. | Implemented as part of induction and retrospectively with existing staff. | Confirm records are complete, retained in SkyTrust and incorporated into periodic induction assurance.                       |
| 8 | Financial interests register | Low | Remove the former President's annual returns from the register.                                                                  | Completed.                                                                | Confirm closure evidence is retained and that exit procedures address the removal of documents for former members and staff. |
| 9 | Declarations of interest     | Low | Ensure declarations of financial interest and impartiality at Shire meetings are minuted.                                        | Completed. Relevant officer notified.                                     | Include a periodic quality-assurance check of agendas and minutes to verify ongoing compliance.                              |

### Regulation 17 Actions

The Regulation 17 Action Plan contains 21 priority actions. The Financial Management Review recorded the following status as at the time of its preparation:

| Status category         | Actions          | Position recorded in the Financial Management Review                                                                                                                                                                                        |
|-------------------------|------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Completed / implemented | 9, 10, 17 and 18 | Fraud, Corruption and Misconduct Policy and Integrity Framework adopted in March 2026; Code of Conduct acknowledgement process implemented through Executive Team action on 4 February 2026; Delegations Register website update completed; |

|                                    |                                       |                                                                                                                                                                                                                                                                                             |
|------------------------------------|---------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                    |                                       | and ARIC Terms of Reference adopted in October 2025.                                                                                                                                                                                                                                        |
| Due July 2026 / progressing        | 1, 2, 3, 4 and 16                     | Risk Management Policy and Framework, risk appetite and criteria, Corporate Risk Register and Business Continuity Plan were progressing for presentation to Executive Team and ARIC before Council adoption. Risk education program design was progressing through SkyTrust.                |
| Due or progressing during 2026     | 5, 6, 7, 8, 13, 14, 15, 19, 20 and 21 | BCP testing, IT crisis exercise, backup and recovery testing, Finance Manual, corporate risk profile, Audit Actions Register, closure of prior audit actions, ICT policy/manual, performance reviews and month-end procedures remained in progress or scheduled for completion during 2026. |
| Deferred / dependent on resourcing | 11 and 12                             | Works and Services Manual review and environmental-risk consideration were scheduled for review upon the Works Manager's return, with a target of January 2027.                                                                                                                             |

The action plan requires that all Regulation 17, Financial Management Review, external audit, internal audit and other relevant assurance findings are captured in the central Audit Actions Register. The Register should identify the source finding, action, responsible officer, risk rating or priority, due date, current status, evidence of completion and any revised target date or escalation requirement.

The Financial Management Review provides positive overall assurance regarding the Shire's financial-management systems and procedures, while identifying practical improvements that will strengthen documentation, accountability, legislative compliance and control operation.

The former regulation 5(2)(c) review requirement has now been incorporated into the revised regulation 17 framework. Accordingly, future reporting should refer to the Financial Management Review and the Regulation 17 review program, rather than describing Regulation 5 as a continuing statutory review requirement. The actions identified through the former regulation 5 review remain valid management actions and should continue to be monitored to closure.

The moderate-risk recommendation concerning the disclosure of Elected Members' expenses should remain a particular focus for ARIC. The Committee should seek assurance that the Shire has obtained or documented appropriate clarification, determined its disclosure approach, updated the relevant register and website publication process where required, and embedded the process in the Compliance Hub and annual compliance cycle.

The outstanding credit-card actions also require confirmation that CMP-021 has been updated and that signed agreements for the CEO and MFCS have been obtained or otherwise appropriately regularised. While the recommendations are rated low risk, they relate to documented authority, accountability and financial-control arrangements.

For all completed actions, management should retain auditable closure evidence in the Audit Actions Register. For actions continuing beyond their original target date, the register should record the reason for delay, the risk implications, revised target dates, accountable officers and any interim controls.

### **Statutory Environment**

No Financial Implications Identified.

- *Local Government Act 1995.*
- *Local Government (Audit) Regulations 1996*, including regulation 17.
- *Local Government (Audit) Regulations 1996*, including regulation 5, as applicable to audit findings and management responses.
- Council's Risk Management Policy and Risk Management Framework.
- Council's Business Continuity Plan.
- Council's Compliance Calendar and Compliance Audit Return processes.
- ARIC Terms of Reference.

### **Policy/Procedure Implications**

A Policy or Procedure is affected:

Organisational Corporate Policy & Procedures

### **Financial Implications**

No Financial Implications Identified.

### **Strategic Implications**

### **Strategic Community Plan/Corporate Business Plan Implications**

### **GOVERNANCE & ACCOUNTABILITY**

5.3 Make informed decisions within resources and areas of responsibility.

5.3.2 Regular and relevant briefings to Elected Members.

### **Consultation**

Executive Staff

### **Risk**

### **Assessment**

A Minor Compliance Risk of Level 2 - Which will likely result in some temporary non-compliance.

A Minor Reputational Risk of Level 2 - Which will likely result in substantiated, low impact, low news item.

### Summary table of key actions and status updates

| No. | Priority task (from Reg 17 recommendations)                                                                                                                               | Responsible officer (suggested)              | Target completion date (suggested) | Status Update          |
|-----|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------|------------------------------------|------------------------|
| 1   | Update the Risk Management Policy and Framework to reflect AS/NZS ISO 31000:2018 and review risk criteria and escalation processes (RM 1.1)                               | CEO /MFCS                                    | 30 June 2026                       | Currently under review |
| 2   | Formally adopt risk consequence/likelihood criteria and risk appetite via Audit, Risk & Improvement Committee and Council (RM 1.2)                                        | CEO                                          | 30 June 2026                       | Currently under review |
| 3   | Review and update the Corporate Risk Register (last reviewed Nov 2023) and report outcome to Committee and Council (RM 1.3)                                               | MFCS / Executive Management Team             | 31 May 2026                        | Currently under review |
| 4   | Review and update the Business Continuity Plan, including confirmation of alternative operating locations (RM 2.1)                                                        | CEO / MFCS                                   | 30 September 2026                  |                        |
| 5   | Conduct and document a test of the Business Continuity Plan, then schedule regular testing (RM 2.2)                                                                       | CEO / MFCS / WHS Coordinator                 | 30 September 2026                  |                        |
| 6   | Hold a crisis exercise simulating a critical IT data failure or breach (RM 3.1)                                                                                           | CEO / MFCS / IT Service Provider             | 31 October 2026                    |                        |
| 7   | Test cloud backup and recovery procedures under the managed services agreement and document results (RM 3.2)                                                              | Finance & Digital Services Coordinator(FDSC) | 31 October 2026                    |                        |
| 8   | Broaden Finance Policy, Procedures and Guidelines Manual to cover key finance processes (suppliers, purchasing, reconciliations, payroll, rates, budget cycles) (RM 4b.1) | MFCS                                         | 30 September 2026                  |                        |

|    |                                                                                                                                                                                                                                |                                        |                                                    |                                                                  |
|----|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------|----------------------------------------------------|------------------------------------------------------------------|
| 9  | Develop and adopt a Fraud, Corruption and Misconduct Policy, procedures and an Integrity Framework (RM 4d.1)                                                                                                                   | CEO / HR / WHS Coordinator             | 30 September 2026                                  | Completed - May                                                  |
| 10 | Implement process for all new employees to sign acknowledgement of the Code of Conduct, captured in SkyTrust (RM 4d.2)                                                                                                         | CEO / HR / WHS Coordinator             | 30 June 2026                                       | Implemented at Executive Team meeting 4 Feb 2026                 |
| 11 | Review Works & Services Manual to explicitly address key environmental risks and their operational management (RM 4e.1)                                                                                                        | CEO / Works & Services Manager         | 31 October 2026                                    |                                                                  |
| 12 | Ensure environmental risk is specifically considered and documented in annual strategic/operational risk review (RM 4e.2)                                                                                                      | CEO / MFCS / Works & Services Manager  | 30 November 2026                                   |                                                                  |
| 13 | Establish a formal process to identify and assess the corporate risk profile, with regular monitoring and reporting to Executive and Committee (RM 5.1, RM 5.6)                                                                | CEO / MFCS                             | 30 September 2026                                  | Progressing through the Executive Team meetings 25 Feb 2026      |
| 14 | Create and implement an Audit Actions Register for all internal, external and regulatory audit recommendations, with 6-monthly reporting to Committee (RM 5.4, RM 5.5, RM 7.1)                                                 | MFCS / CEO                             | 31 May 2026                                        | Progressing through Skytrust application, assigning and tracking |
| 15 | Revisit and complete outstanding actions from the Internal Audit Report (Jan 2024 – LG People & Culture) and Dry Kirkness Financial Management Review 2023, recording all items in the Audit Actions Register (RM 5.3, RM 5.4) | MFCS / CEO / Executive Management Team | 31 December 2026                                   | Under review                                                     |
| 16 | Embed ongoing risk management education for officers (induction content, toolbox talks, staff meetings, intranet updates) (RM 1.5, RM 1.6)                                                                                     | CEO / WHS Coordinator / MFCS           | Program design by 31 July 2026; ongoing thereafter |                                                                  |
| 17 | Update the Delegations Register on the website to the approved 2025 version (IC 2.1)                                                                                                                                           | CEO                                    | 31 January 2026                                    | Complete (ongoing)                                               |

|    |                                                                                                                                                      |                   |                                           |                                                                |
|----|------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------|-------------------------------------------|----------------------------------------------------------------|
| 18 | Develop and adopt Terms of Reference for the Audit, Risk and Improvement Committee and align to Local Government Amendment Act 2024 (IC 4.1, IC 4.2) | CEO               | 31 January 2026                           | Complete Adopted in October OCM Minute Reference OCM 2025/10-6 |
| 19 | Develop an Information Technology Policy, Procedures and Guidelines Manual for access, security and appropriate usage (IC 5.1; IC 19.1)              | CEO / MFCS / FDSC | 31 October 2026                           |                                                                |
| 20 | Ensure all officers receive annual performance reviews that also identify training needs (IC 10)                                                     | CEO / MFCS        | Cycle to be fully current by 30 June 2027 |                                                                |
| 21 | Formally document month-end and variance analysis processes and include in Finance Manual (LC 5.1)                                                   | MFCS              | 31 October 2026                           |                                                                |

These dates assume commencement in early 2026 and can be adjusted to fit resource availability.



## Executive Summary & Action Plan

Below is a summary and suggested task table for executive staff, assigning responsible officers and completion dates for the highest-priority Regulation 17 improvement actions. This table will be taken to the next available Executive Team meeting to be communicated and updated as appropriate.

### Risk management

#### Update Risk Management Policy and Framework (RM 1.1, 1.2, 1.3, 1.4, 1.5, 1.6)

- Action:
  - Update Risk Management Policy to AS/NZS ISO 31000:2018 and embed risk appetite, consequence and likelihood criteria.
  - Review and update Risk Management Framework, including escalation and reporting, and add explicit requirement for risk assessments for Major Events.
  - Undertake full review of Corporate Risk Register (Nov 2023 version) and report outcomes to FARM/Council.
  - Embed broader obligation in all PDFs/PDs to adhere to the Risk Management Policy.
  - Implement risk awareness program (toolbox talks, staff meetings, intranet updates, induction refresh).
- Responsibility: CEO (policy/strategic settings); Manager Finance & Corporate Services (MFCS) (framework, register, education program); EMT for implementation.
- Priority: High.
- Timeframe:
  - Policy/Framework update and PD wording: within 3 months of Council receiving the report.
  - Corporate Risk Register review and FARM report: within 6 months.
  - Risk education program: commence within 3 months and ongoing.

#### Business Continuity and IT disaster recovery (RM 2.1, 2.2, 3.1, 3.2)

- Action:
  - Review and update Business Continuity Plan, confirming alternate operating sites (e.g. Recreation & Community Centre) and dependencies.
  - Plan and conduct a BCP test exercise, then schedule at least biennially.
  - Conduct a crisis exercise incorporating critical IT data failure/cyber-breach scenario.
  - Test backup and recovery procedures under the Irwin–Chapman Valley managed services agreement and document results/actions.
- Responsibility: CEO (overall), MFCS and ICT/managed services provider; input from Works, WHS and key service leads.
- Priority: High.
- Timeframe:
  - BCP review: within 4 months.
  - First BCP and IT crisis exercises and backup/restore test: within 9 months.

#### Finance processes documentation (RM 4b.1, LC 5.1)

- Action:
  - Broaden Finance Policy, Procedures & Guidelines Manual to include detailed procedures for: supplier set-up and changes, purchasing, month-end reconciliations, payroll, rates, annual and mid-year budget processes, monthly variance analysis and Aged Debtors monitoring.
- Responsibility: MFCS and Management Accountant.
- Priority: Medium–High.

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- Timeframe: Draft within 6 months, finalised and implemented within 9 months.

#### **Fraud, corruption, misconduct and integrity (RM 4d.1, 4d.2, 11.1; IC 1; IC 10)**

- Action:
  - Develop and adopt a Fraud, Corruption and Misconduct Policy, supporting procedures and a simple Integrity Framework, aligned to PSC/OAG expectations.
  - Ensure all new employees (and periodically existing staff) sign acknowledgement of the Code of Conduct; automate and record through SkyTrust where possible.
  - Ensure fraud and misconduct risks are explicitly described and reassessed in the next corporate risk profile review.
  - Implement annual performance review for all officers with a training-needs component and link fraud/ethics awareness into that cycle.
- Responsibility: CEO (policy position), MFCS and HR/People & Culture lead (framework, processes), WHS/Compliance where applicable.
- Priority: High.
- Timeframe:
  - Policy and Integrity Framework: within 6 months.
  - Code of Conduct sign-off embedded in onboarding: within 3 months.
  - Inclusion of fraud/misconduct in corporate risk review: next review cycle, within 12 months.
  - Annual performance review process: design within 6 months, full cycle delivered within 18 months.

#### **Environmental risk and works manuals (RM 4e.1, 4e.2)**

- Action:
  - Review and update Works & Services Manual to explicitly address environmental risks (e.g. refuse site, depot, spill management, dust/noise, contaminated materials) and operational controls.
  - Ensure environmental risks are separately identified and assessed in the strategic/operational Risk Register at next annual review.
- Responsibility: Works & Services Manager, with MFCS and WHS/Environmental Health input.
- Priority: Medium.
- Timeframe: Manual update within 9 months; environmental risk inclusion in next risk register review (within 12 months).

#### **Corporate risk profile and risk reporting (RM 5.1–5.6, 7.1)**

- Action:
  - Establish a formal corporate risk profiling process (criteria, methodology, frequency) aligned to the Framework.
  - Undertake initial corporate risk profile, including fraud, misconduct and environmental risks, and report outcomes to FARM and Council.
  - Introduce regular (e.g. 6-monthly) corporate risk report to FARM covering key risks, treatments, trend and status of mitigations.
  - Ensure internal control issues identified by OAG, Dry Kirkness, LG People & Culture and this Reg 17 report are incorporated into the Audit Actions Register (see below) and monitored via FARM.
- Responsibility: CEO and MFCS; FARM for oversight.
- Priority: High.
- Timeframe:
  - Design of process and first corporate risk profile: within 6 months.
  - First 6-monthly risk report to FARM: within 9 months.

#### **Audit Actions Register and follow-up (RM 5.3–5.5, 7.1)**

- Action:

- Create a central Audit Actions Register capturing recommendations, agreed actions, responsible officer, due date and status for: OAG audits, Reg 5, Reg 17, internal audits (e.g. LG People & Culture), LGIS risk reports and other relevant reviews.
- Populate with all outstanding Dry Kirkness 2023 recommendations (including Workforce Plan) and any unresolved internal audit actions, and mark priorities.
- Report the Register to FARM at least 6-monthly until all high-risk and significant items are closed.
- Responsibility: MFCS (owner), CEO (sponsor), FARM (monitoring).
- Priority: High.
- Timeframe:
  - Register established and populated: within 2 months.
  - First formal FARM report: within 4 months.

### **Internal control and ICT**

#### **Delegations and policy publication (IC 2.1, IC 2 & 9, 8, 3)**

- Action:
  - Replace the 2022 Delegations Register on the website with the Council-approved 2025 Delegations Register and ensure future updates are synchronised promptly with website publication.
  - Reinforce linkage between Delegations, PDs and current policy manuals in staff training and induction.
- Responsibility: CEO and Governance Officer (or MFCS if governance sits there).
- Priority: High (transparency/compliance).
- Timeframe: Website update within 1 month; process for ongoing updates documented within 3 months.

#### **FARM Terms of Reference and ARIC transition (IC 4.1, 4.2, 4, 10, 6, 7)**

- Action:
  - Draft a clear Terms of Reference for FARM, covering purpose, authority, membership, reporting lines, scope (audit, risk, improvement), meeting schedule and relationship with Council and CEO.
  - Develop and implement a plan to transition FARM to an Audit, Risk and Improvement Committee in accordance with the Local Government Amendment Act 2024, including any required changes to membership, independent chair arrangements and reporting.
- Responsibility: CEO and Governance Officer; FARM and Council for endorsement.
- Priority: High (legislative compliance).
- Timeframe:
  - Draft TOR to FARM within 3 months and Council adoption within 5 months.
  - ARIC transition plan and necessary governance documents in place for FY26, with preparation completed by 30 June 2026.

#### **IT governance and access (IC 5.1, 11, 19.1, 20)**

- Action:
  - Develop an Information Technology Policy, Procedures & Guidelines Manual covering access control, acceptable use, cyber-security, backups, monitoring, incident response and third-party arrangements (Irwin/Oracle, EFTSure, etc.).
  - Embed explicit ICT use expectations (professional, secure, ethical use; confidentiality; security; IP; monitoring) into Code of Conduct or supporting ICT guidelines as recommended.
  - Formalise role-based access and system administrator arrangements, including periodic user access reviews and documentation of quarterly audit trail reviews already being done.
- Responsibility: MFCS (lead, as corporate systems owner) with Management Accountant and ICT/managed service provider; CEO approves.
- Priority: High.

- Timeframe:
    - Draft ICT Policy/Manual and updated Code wording: within 6 months.
    - First documented user-access review under new arrangements: within 9 months.
- 

#### **Legislative compliance and financial oversight**

##### **Month-end and variance procedures (LC 5.1 – also supports RM 8, IC 21)**

- Action:
  - Document the full end-of-month timetable and responsibilities (reconciliations, controls, review steps), including the program-level variance review by MFCS and escalation thresholds for reporting to Council.
  - Ensure procedures support continuity and handover in the event of staff turnover.
- Responsibility: MFCS and Management Accountant.
- Priority: Medium–High.
- Timeframe: Integrated into the Finance Manual updates within 9 months (see item 3).

##### **Ongoing CAR and compliance calendar monitoring (LC 1–3, 9, 10)**

- Action:
  - Maintain and periodically review the Compliance Calendar; ensure CAR findings and any emerging themes feed into the corporate risk profile and Audit Actions Register.
  - Continue to table CAR through FARM with explicit commentary on any integrity or ethics matters.
- Responsibility: CEO and Governance Officer; MFCS for financial elements; FARM for oversight.
- Priority: Medium.
- Timeframe: Ongoing, but linkages to risk profile and Audit Actions Register to be made within 6 months.

## **9 New Business of an Urgent Nature Introduced by Decision of the Meeting**

## **10 Closure**