Audit and Risk Management Committee Meeting (5 March 2026)

ATTACHMENTS

Number	Title
7.1(1)	Audit and Risk Management Committee Meeting held on 15 December 2025
8.1.1(1)	LGIRS Webinar 17 December 2026
8.1.2(1)	Draft Strategic Risk Register
8.1.2(2)	Organisational Risk Register Overview
8.1.2(3)	Organisational Risk Framework Implementation Plan
8.1.3(1)	FMR/Reg 17 -Findings & Improvements Register
8.1.3(2)	Internal Audit Findings

Shire of
Donnybrook Balingup

Minutes of the Audit & Risk Management Committee

Held on 15 December 2025 and commenced at 3:30pm
Held at the Council Chambers in Donnybrook
(1 Bentley Street, Donnybrook)

Authorised:

Mr Nick O'Connor, Chief Executive Officer

Prepared: 16 December 2025

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1. Declaration of Opening / Announcement of Visitors

Acknowledgement of Country:

The Chairperson acknowledged the continuing connection of Aboriginal people to Country, culture and community, including traditional custodians of this land, the Wardandi and Kaneang People of the Noongar Nation, paying respects to Elders, past and present.

The Chairperson declared the meeting open at 3:30pm and welcomed the public gallery at 3:30pm.

2. Attendance

Members Present:

Cr Vivienne MacCarthy
Cr Tyler Hall
Mr Angelo Loguidice, External Member

Staff Present:

Nick O'Connor, Chief Executive Officer
Ross Marshall, Director Operations (Teams)
Meta Hazeldine, Manager Financial Services
Colin Young, Director Finance and Community
Loren Clifford, Executive Manager Corporate
James (Jimmy) Harcourt, WHS Officer

Other Members Present:

Public Gallery: No members of the public were in attendance.

2.1. Apologies

Mr Ian Telfer, External Member

2.2. Approved Leave of Absence

Nil.

2.3. Application for Leave of Absence

Nil.

3. Announcements from the Chairperson

Nil.

4. Declarations of Interest

Division 6: Sub-Division 1 of the *Local Government Act 1995*. Care should be taken by all Councillors to ensure that a financial/impartiality interest is declared and that they refrain from voting on any matter, which is considered to come within the ambit of the Act.

Nil.

5. Public Question Time

5.1. Responses to previous public questions that were taken on notice

Nil.

5.2. Public Question Time

Nil.

6. Presentations

6.1. Strategic Work Health and Safety Plan and Notifiable Incident

James Harcourt, WHS Officer provided a presentation on the recently endorsed Strategic Work Health and Safety Plan (Attachment 6.1(1)) and provided an overview of a recent notifiable incident reported to WorkSafe on 13 November 2025.

7. Confirmation of Minutes

7.1. Audit and Risk Management Committee Meeting held on 31 July 2025

Minutes of the Audit and Risk Management Committee Meeting held 31 July 2025 are attached as Attachment 7.1(1). At the Ordinary Council Meeting held on 27 August 2025, Council resolved to receive the minutes and adopt the recommendations as detailed in the 31 July Audit and Risk Management Committee minutes. It is noted that, prior to presentation at the Council meeting, the Audit and Risk Management Committee members confirmed the accuracy of the minutes via a flying minute process conducted by email.

8. Reports of Officers

8.1. Director Finance and Community

8.1.1. 2024/2025 Annual Financial Statements, Audit Report (Opinion) and Management Letter

Report Details:

Prepared by: Executive Manager Corporate, Loren Clifford

Manager: Chief Executive Officer, Nick O'Connor

File Reference: FNC 02A **Voting Requirement:** Simple Majority

Attachment(s):

8.1.1(1) AOG's Signed 2024/2025 Annual Financial Report and Audit's Report (Opinion).

Executive Recommendation

That the Audit and Risk Management Committee:

1. **Receives and endorses the 2024/2025 Annual Financial Statements including Auditors Report (Opinion)** (Attachment 8.1.1(1)) **for Council's receipt; and**
2. **Notes that a report on significant findings in accordance with Section 7.12A(4) of the *Local Government Act 1995*, for the year ending 30 June 2025, is not required.**

Strategic Alignment

The following outcomes from the Council Plan relate to this proposal:

Outcome: 12 - A well respected, professionally run organisation.

Objective: 12.1 - Deliver effective and efficient operations and service provision.

Item: Nil.

Executive Summary

AMD, on behalf of the Office of the Auditor General (OAG), completed the Shire's Interim Audit in May 2025 and the final audit in October 2025 for the year ending 30 June 2025. The signed Independent Auditor's Report (Opinion), along with the 2024/2025 Annual Financial Statements (Attachment 8.1.1(1)), was received from the OAG on 10 November 2025.

In accordance with its Terms of Reference, it is requested that the Audit and Risk Management Committee reviews and receives the 2024/2025 Annual Financial Statements, Auditor's Report (Opinion), and Management Letter. Where appropriate, the committee should make recommendations regarding these documents and endorse them for Council's receipt. In addition, the committee is requested to confirm that it has met with the auditor, as required by Section 7.12A(2) of the *Local Government Act 1995*.

Background

In May 2025, AMD Charted Accountants, on behalf of the Office of the Auditor General (OAG), conducted the Interim Audit for the year ending 30 June 2025. The final audit commenced in October

2025, with Shire officers uploading requested documents to the online portal. The Auditors were on-site from 28-30 October 2025.

Pursuant to Section 7.9 of the *Local Government Act 1995*, the Auditor is required to examine the accounts and annual financial report submitted by a local government and prepare a report by December 31 following the financial year. This report must be forwarded to:

a. The Mayor or President,
b. The Chief Executive Officer, and
c. The Minister.

The signed and stamped 2024/2025 Annual Financial Statements, Auditor's Report (Opinion), was received on 10 December 2025 for the local government's examination.

In accordance with Regulation 10(4) of the *Local Government (Audit) Regulations 1996*, the Auditor may also prepare a Management Letter to accompany the Independent Auditor's Report, which is forwarded to the persons specified in Section 7.9 of the Act above. The Management Letter provides an overview of the audit process and outcomes, identifying any matters relevant to the Shire's day-to-day operations. These areas of improvement have been listed under the Officers Comment below.

Pursuant to Section 7.12A(2) of the *Local Government Act 1995*, a local government is required to meet with its auditor annually. The Audit Exit meeting was held on 8 December 2025, with the OAG's Director Financial Audit and AMD's Director leading the meeting. The Audit and Risk Management Committee, CEO, and relevant officers, including all Elected Members were invited to attend. At this meeting, the OAG outlined the audit process, provided an overview of the draft Auditor's Report (Opinion) discussing areas of improvement and management comments, allowing for questions from attendees. This requirement has been met due to the meeting taking place.

The OAG has since provided their signed Auditor's Report (Opinion), which is now presented for receipt.

Risk Management

Risk:	Likelihood:	Consequence:	Risk Rating:
Compliance	Unlikely	Moderate	Moderate (6)
Risk Description:	Non-compliance with the *Local Government Act 1995* and associated regulations.		
Mitigation:	Adhering to statutory requirements, such as meeting with the auditor and endorsing the financial statements, ensures compliance.		

Risk:	Likelihood:	Consequence:	Risk Rating:
Financial Impact	Unlikely	Moderate	Moderate (6)
Risk Description:	Inaccurate financial statements could lead to financial mismanagement or undetected fraud.		
Mitigation:	The audit process, including the review and endorsement of the financial statements and auditor's report, ensures accuracy and transparency.		

Financial Implications

Nil.

Policy Compliance

Nil.

Statutory Compliance

Local Government Act 1995 - Section 7.9 and Section 7.12A.
Local Government (Financial Management) Regulations 1996.
Local Government (Audit) Regulations 1996 – Regulation 16

Consultation

The audited financial statements must be included in the Shire's Annual Report. This report will be made available to the public after it is reviewed by the Council in December 2025.

Officer Comment

The audit process for the year ending 30 June 2025 was thorough and involved multiple stages, including an Interim Audit in May and a final audit in October. The collaboration between Shire officers and the auditors ensured that all necessary documents were provided in a timely manner.
The Audit Exit meeting on 8 December 2025, was a key component in fulfilling the statutory requirement to meet with the auditor annually. The presence of the OAG's Director Financial Audit and AMD's Director provided valuable insights into the audit process and allowed for a comprehensive discussion with the Audit and Risk Management Committee and other attendees.

The receipt of the signed and stamped 2024/2025 Annual Financial Statements, Auditor's Report (Opinion), marks the completion of the audit process. This documents are now presented for the committee's review and subsequent endorsement by the Council.

No Management Letter was received for the endo of financial year audit, due to no findings being raised.

The Shire has received an unqualified audit opinion, which means that the auditors found the financial statements to be free of material misstatements and in accordance with the applicable financial reporting framework. Therefor it should be noted that a report on significant findings in accordance with Section 7.12A(4) of the *Local Government Act 1995*, for the year ending 30 June 2025, is

not required. This is a positive outcome, indicating that the Shire's financial records are accurate and reliable.

COMMITTEE RESOLUTION:	ARM17/12-25		
MOVED BY:	Angelo Logiudice	**SECONDED BY:**	Cr Tyler Hall

That the Audit and Risk Management Committee:

1. **Receives and endorses the 2024/2025 Annual Financial Statements including Auditors Report (Opinion)** (Attachment 8.1.1(1)) **for Council's receipt; and**
2. **Notes that a report on significant findings in accordance with Section 7.12A(4) of the *Local Government Act 1995*, for the year ending 30 June 2025, is not required.**

For: Cr Vivienne MacCarthy, Cr Tyler Hall, Mr Angelo Logiudice
Against: Nil.
Carried: 3/0

8.1.2 Audit Findings Progress

Report Details:

Prepared by: Loren Clifford, Acting Director Finance and Corporate

Manager: Nick O'Connor, Chief Executive Officer

File Reference: FNC 02A **Voting Requirement:** Simple Majority

Attachment(s):

Nil.

Executive Recommendation

That the Audit and Risk Management Committee notes the update provided on Audit Findings as outlined in this report.

Strategic Alignment

The following outcomes from the Council Plan relate to this proposal:

Outcome: 11 - Strong, visionary leadership.

Objective: 11.1 - Provide strategically focused, open and accountable governance.

Item: Nil.

Executive Summary

It is requested that the Audit and Risk Management Committee (ARMC) notes the latest update provided on the Audit Findings outlined in this report.

Background

Under the *Local Government Act 1995* and associated regulations, the Shire is required to undertake several types of audits to ensure accountability and transparency. These Audit's consist of:

1. Financial Audits – The Shire must have their financial statements audited annually. This is mandated under Section 7.9 of the *Local Government Act 1995*.
2. Financial Management Review - is governed by Regulation 5(2) of the *Local Government (Financial Management) Regulations 1996*. This regulation requires the CEO to regularly review the appropriateness and effectiveness of the financial management systems and procedures of the local government, with a minimum frequency of once every three financial years.
3. Compliance Audits – The Shire must complete a compliance audit return (CAR) annually, which is reviewed by the ARMC, and Council then submitted to the Department of Local Government, Sport and Cultural Industries. This requirement is outlined in Regulation 14 of the *Local Government (Audit) Regulations 1996*.
4. Audit Regulation 17 Review - is a requirement under the *Local Government (Audit) Regulations 1996*. It requires the Chief Executive Officer (CEO) of a local government to review the appropriateness and effectiveness of the local government's systems and procedures in relation to:

- Risk Management
- Internal Control
- Legislative Compliance

5. Internal Audits - While not explicitly mandated, internal audits are recommended as part of good governance practices. They help the Shire identify and mitigate risks proactively.

Regular reporting on progress and actions taken in response to audit findings to the Audit and Risk Management Committee should be undertaken to ensure transparency and accountability, demonstrating a commitment to addressing identified issues and improving governance.

Risk Management

Risk:	Likelihood:	Consequence:	Risk Rating:
Compliance	Likely	Minor	Moderate (8)
Risk Description:	Not reporting updates on audit findings to the audit committee on a regular basis can lead to a lack of oversight, delayed corrective actions, and potential non-compliance with regulatory requirements.		
Mitigation:	Establish a reporting schedule and process as outlined in this report.		

Financial Implications

Nil.

Policy Compliance

Nil.

Statutory Compliance

Nil.

Consultation

An internal review of the findings by key responsible officers has been undertaken.

Officer Comment

The Financial Management Review (FMR) and the Audit Regulation 17 (Reg 17) Reviews were undertaken in December 2024, the findings from these reviews were presented to the committee at its March 2025 meeting. Subsequently presented in June 2025 to Council. The table below outlines the status/progress made in addressing the 103 findings.

Status	May 2025	October 2025
Completed	28	39
Three-quarters completed	20	26
Half Completed	16	14
Quarter Completed	20	12
Not Started	19	12

Quarterly reporting will continue where there are findings to report, covering the five key audit areas:

1. Financial audits,
2. Financial Management Review,
3. Compliance audit,
4. Audit Regulation 17 Review, and
5. Internal audits.

COMMITTEE RESOLUTION:	ARM18/12-25		
MOVED BY:	Cr Tyler Hall	**SECONDED BY:**	Mr Angelo Loguidice

That the Audit and Risk Management Committee notes the update provided on Audit Findings as outlined in this report.

For: Cr Vivienne MacCarthy, Cr Tyler Hall, Mr Angelo Logiudice
Against: Nil.
Carried: 3/0

8.1.3 Office of the Auditor General's (OAG) Performance Audit – Maintaining Regional Local Roads

Report Details:

Prepared by: Loren Clifford, Acting Director Finance and Corporate

Manager: Nick O'Connor, Chief Executive Officer

File Reference:

Voting Requirement: Simple Majority

Attachment(s):

8.1.3(1) Office of the Auditor General's (OAG) Performance Audit – Maintaining Regional Local Roads

Executive Recommendation

That the Audit and Risk Management Committee:

1. **Notes the information provided in the report presented on the Office of the Auditor General's (OAG) Performance Audit – Maintaining Regional Local Roads, and the Shire's responses to the recommendations within the report.**

Strategic Alignment

The following outcomes from the Council Plan relate to this proposal:

Outcome: 12 - A well respected, professionally run organisation.

Objective: 12.1 - Deliver effective and efficient operations and service provision.

Item: Nil.

Executive Summary

This report presents the findings and recommendations from the OAG's Performance Audit on Maintaining Regional Local Roads, along with the Shire's proposed responses. The audit highlights the critical importance of accurate road condition data, transparent maintenance prioritisation, and collaborative approaches to road asset management. The Shire's responses focus on improving internal processes, data collection, and stakeholder engagement to support evidence-based decision-making and sustainable infrastructure outcomes.

Background

The OAG conducted a Performance Audit to assess how regional local governments manage and maintain their road networks. The audit identified gaps in road condition data, the need for improved asset management planning, and the importance of transparent communication with stakeholders. The Shire, as an audited entity, supports the recommendations and recognises the need for internal improvements and external collaboration.

Officer Comment

Responses have been provided to the recommendations as outlined on page 24 of the OAG's Performance Audit – Maintaining Regional Local Roads below.

OAG's Recommendation 1

To enable an evidence-based road asset maintenance program, LG entities should:

1. ensure road condition data is up to date and used in up-to-date asset management plans and work programs to enhance preventative road maintenance. (Some regional LG entities will need support to achieve this by the implementation timeframe or condition data over local road networks will be built over a longer timeframe.) Valuations performed by local governments to meet financial reporting requirements provide a good opportunity for LG entities to obtain enhanced baseline data.

Implementation timeframe: October 2027

Entity response: Audited LG entities support this recommendation, recognising some regional LG entities would need assistance to implement.

Shires Response:

Maintaining accurate, up-to-date road condition data is essential for integrating this information into asset management plans and work programs. This supports proactive road maintenance and ensures long-term sustainability of our infrastructure.

While asset condition data collected for valuation purposes only needs to meet financial reporting requirements, comprehensive condition data is fundamental for effective road asset management planning. To achieve this, we must first identify existing gaps and determine what additional information is required before engaging external assistance for asset condition data collection.
Before procuring external services to address gaps in asset condition knowledge, it is vital to establish a robust internal structure capable of delivering the required outcomes. The Shire should review existing staff resourcing levels and if required build into its future workforce planning a resource/s to:

- *Identify deficiencies in current asset condition data.*
- *Prioritize areas requiring detailed assessment.*
- *Coordinate with Finance and Works teams to align revaluation cycles with asset management objectives.*

The Shire's next infrastructure asset valuation is scheduled for the 2027/28 financial year.

OAG's Recommendation 2

To enable an evidence-based road asset maintenance program, LG entities should:

2. promote transparency and understanding of maintenance prioritisation decisions with stakeholders, including ratepayers by:
    a. determining and reporting the road condition and maintenance backlog and, as part of moving to better practice, work towards:
    b. defining service level standards for road maintenance in engagement with local communities
    c. reporting on delivery of road maintenance against agreed service levels.

Implementation timeframe: July 2028

Entity response: Audited LG entities support this recommendation, recognising some regional LG entities would need assistance to implement.

Shires Response:
"Without structural changes within the Operations service directorate, there is limited capacity to achieve these outcomes. Current staffing levels and available resources primarily support a reactive approach to asset management rather than a proactive one."

OAG's Recommendation 3
To help LG entities in maintaining local roads, collaboration between LG entities, Main Roads, LGIRS and WALGA should be improved. These entities should:

3. use local road condition data to inform both regional and statewide road strategies to:
   a. support evidence-based decision making to improve road asset management and ensure sustainable infrastructure outcomes for regional road users
   b. review funding via the Local Government Agreement and use of the Asset Preservation Model to ensure it remains fit for purpose and supports sustainable road asset management
   c. include mechanisms to measure progress against goals set for local roads.

Implementation timeframe: July 2028
Entity response: Recommendation supported.

Shires Response:
Recommend the above is noted and support this and the other recommendations being a topic of discussion at a WALGA South West Zone meeting.

COMMITTEE RESOLUTION:	ARM19/12-25		
MOVED BY:	Angelo Logiudice	**SECONDED BY:**	Cr Tyler Hall

That the Audit and Risk Management Committee:

1. **Notes the information provided in the report presented on the Office of the Auditor General's (OAG) Performance Audit – Maintaining Regional Local Roads, and the Shire's responses to the recommendations within the report.**

For: Cr Vivienne MacCarthy, Cr Tyler Hall, Mr Angelo Logiudice
Against: Nil.
Carried: 3/0

8.1.4 Chief Executive Officer Briefing

The Chief Executive Officer provided an update to the Committee on key projects/matters including:

- ICT Strategy Development
- Council Plan Review
- Budget – development of financial informing plans
- Workforce Plan
- Forestry Products Commission – rates exemption

Executive Recommendation

That the Audit and Risk Management Committee Meeting notes the update provided to the Chief Executive Officer.

COMMITTEE RESOLUTION:	ARM20/12-25		
MOVED BY:	Cr Tyler Hall	**SECONDED BY:**	Mr Angelo Loguidice

That the Audit and Risk Management Committee Meeting note the update provided to the Chief Executive Officer.

For: Cr Vivienne MacCarthy, Cr Tyler Hall, Mr Angelo Logiudice
Against: Nil.
Carried:3/0

9. Meetings Closed to the Public

9.1. Matters for which the Meeting may be closed

Nil.

9.2. Public reading of Resolutions that may be made public

Nil.

10. Closure

The Chairperson advised that the next Audit and Risk Management Committee Meeting will be at 3pm, Thursday 5 March 2026 in the Council Chamber and declared the meeting closed at 4:20pm.

GOVERNMENT OF WESTERN AUSTRALIA
Department of Local Government, Industry Regulation and Safety

Regulations for the Local Government Inspector & Audit, Risk and Improvement Committees

LGIRS Webinar | 17 December 2025

Acknowledgement of Country

The Department of Local Government, Industry Regulation and Safety (LGIRS) respectfully acknowledges Aboriginal peoples as being the Traditional Custodians of Western Australia.

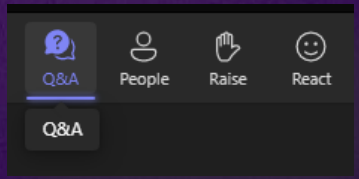
We acknowledge the enduring connection Aboriginal people continue to share with the land, sea, and sky through both their ancestral ties and custodianship to Country.

We pay our respect to Elders both past and present, and acknowledge the value brought to our department through the collective contribution of Aboriginal and Torres Strait Islander peoples across Western Australia.

Department of **Local Government, Industry Regulation and Safety**

GOVERNMENT OF WESTERN AUSTRALIA

Questions during webinar?



Please submit via the ‘Q&A’ button

Department of **Local Government, Industry Regulation and Safety**

GOVERNMENT OF WESTERN AUSTRALIA

Minister's Address

Hon Hannah Beazley MLA

Department of **Local Government, Industry Regulation and Safety**

GOVERNMENT OF WESTERN AUSTRALIA

Local Government Inspector's Address

Mr Tony Brown

1. Introduction
2. New Inspector Regulations
3. Inspector Amendment Regulations
4. ARIC Amendment Regulations
5. Resources and support
6. Q&A session

Introduction

- 2024 Amendment Act
- Local Government Inspector and adjudicators
- Status of key reform projects
- Regulations Working Group
- Regulations and proclamations made

2024 Amendment Act

Local Government Amendment Act 2024 passed Parliament in late 2024

The 2024 Amendment Act includes reforms dealing with:

- Greater role clarity for council members and CEOs
- Local Government Inspector
- Monitors for early intervention
- Council member superannuation
- Increased penalties
- Rates and revenue policy
- Audit, Risk and Improvement Committees (ARICs)
- Resource sharing provisions (shared CEOs, shared senior staff and shared ARICs)
- Streamlining processes for model local laws
- Greater flexibility for regional subsidiaries

Local Government Inspector

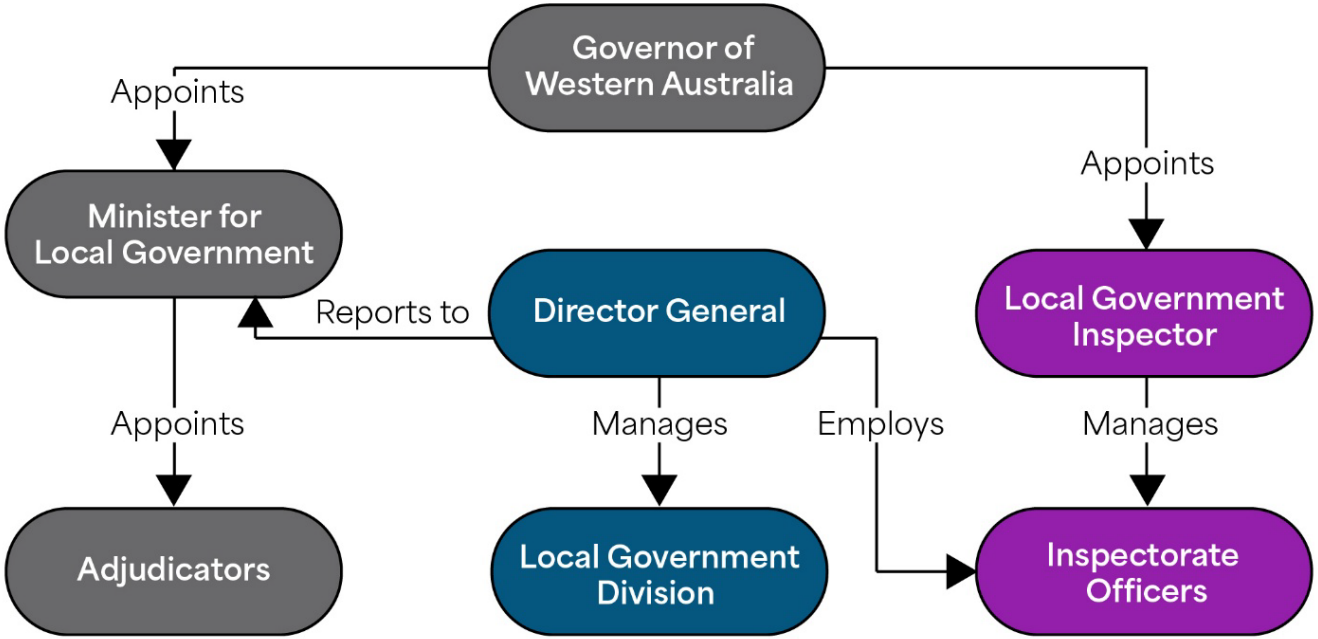
Local Government Act 1995 – Parts 8A & 8B

- The Local Government Inspector (**Inspector**) will formally commence operations from **1 January 2026**
- The Inspector is an independent statutory office that is separate from the LGIRS Local Government division
- As a public officer, the Inspector is accountable to the Minister for Local Government, the Corruption and Crime Commission, the Public Sector Commission, the Auditor General, the Ombudsman and Parliament
- The Inspector must also prepare an annual report that is tabled in Parliament

Inspector’s functions

- Receiving and dealing with complaints
- Conducting investigations, including on the Inspector’s own initiative
- Monitoring the conduct of a local government’s operations and affairs
- Providing education and information to assist with compliance and conduct
- Analysing systems and information
- Consulting, providing information and making recommendations
- If necessary, conducting an Inspector’s Inquiry

Organisational overview



Adjudicators

Local Government Act 1995 – Sections 8B.19 to 8B.31

- The Principal Adjudicator and Deputy Adjudicator/s replace the Standards Panel
- Adjudicators must be legal practitioners with at least five years' experience
- Adjudicators cannot be council members, local government employees or WALGA employees
- When a complaint alleging a conduct breach is accepted, the Inspector refers the matter to the Principal Adjudicator for allocation, so that a finding can be made and any appropriate sanction determined
- Decisions may be appealed to the State Administrative Tribunal

Status of key reform projects

Rates and Revenue Policy

Policy development phase

Standardised Meeting Procedures

Secondary drafting phase – following public consultation

Integrated Planning and Reporting

Policy development phase

Communications Agreements

Secondary drafting phase – following public consultation

CEO KPIs and Online Registers

Secondary drafting phase – following public consultation

Regulations Working Group

- Regulations Working Group established September 2025
- Purpose is to review and provide feedback on draft local government regulations
- Ensures regulation drafting is informed by practical sector input
- WALGA and LG Professionals WA each nominate:
  - Two standing representatives
  - Additional representatives as needed (based on subject matter)
- Representatives may include council members, local government staff and subject matter experts

Regulations made

1. **Local Government (Local Government Inspector) Regulations 2025**
   (New Inspector Regulations)

2. **Local Government Regulations Amendment (Local Government Amendment Act 2024) Regulations 2025**
   (Inspector Amendment Regulations)

3. **Local Government Regulations Amendment Regulations (No. 4) 2025**
   (ARIC Amendment Regulations)

- PDF copies available on the WA Legislation website
- Substantive regulations will be amended and available from **1 January 2026**

Proclamations made

1. **Local Government Amendment Act 2024 Commencement Proclamation (No. 3) 2025**
   (Commences ARIC-related sections of the 2024 Amendment Act)

2. **Local Government Amendment Act 2024 Commencement Proclamation (No. 4) 2025**
   (Commences Inspector-related sections of the 2024 Amendment Act)

- PDF copies available on the WA Legislation website
- Amended *Local Government Act 1995* will be available from **1 January 2026**

1. New Inspector Regulations

Local Government (Local Government Inspector) Regulations 2025

1.1 Breaches and complaints handling

1.2 Mediators

1.3 Confidentiality of complaints

1.4 Monitors

1.5 Infringement notices

1.6 Key transitionals

1.1 – Overview of breaches

Breach type	Description
Behavioural (breach of behavioural components of Model Code)	• Complaint referred to the local government to be dealt with under the local government's Code of Conduct
Conduct (breach of a rule of conduct or prescribed meeting procedure)	• Inspector is responsible for complaint receipt and investigation • Inspector either dismisses complaint or accepts complaint • Accepted complaints must be referred to Principal Adjudicator
Recurrent (more than two previous conduct breaches)	• Inspector may either treat this as a **conduct breach** or escalate this as a **specified breach**

Specified
(committing a prescribed offence)
	• Inspector is responsible for complaint receipt and investigation
	• Inspector either dismisses complaint or accepts complaint
	• If complaint is accepted, the Inspector can:
	  ○ Make an allegation to State Administrative Tribunal
	  ○ Initiate a prosecution in court
	  ○ Take other action (e.g. issue infringement notice)

1.1 – Complaints handling

New Inspector Regulations – Regulations 6, 7, 8, 10

- The Inspector may request further information from any relevant person regarding the complaint
- The Inspector determines the type of breach complaint and then the process to be undertaken
- Conduct breach complaints need to be made within **12 months** of the alleged behaviour
- Specified breaches are limited if the underlying offence has a statute of limitation

1.1 – Behavioural breach

New Inspector Regulations – Regulations 6, 7, 8, 10

- A behavioural breach complaint is typically referred to the local government to be dealt with under its adopted Code of Conduct
- However, the Inspector may escalate the complaint if the council member has at least 2 previous behavioural breach findings (since 1 January 2026)
- If escalated, the complaint is treated as a conduct breach and referred to the Principal Adjudicator (dealt with under Part 8A, Division 5 of the Act)

1.2 – Mediators

New Inspector Regulations – Regulation 7

- The Principal Adjudicator must maintain a panel of qualified mediators
- Adjudicators can also be mediators
- Mediation occurs only if both complainant and respondent agree
- Adjudicator or Inspector appoints the mediator and sets a completion timeframe – the mediator decides the process

1.3 – Confidentiality of complaints

New Inspector Regulations – Regulation 11

- Information about a complaint must remain confidential unless an event listed in regulation 11 has occurred:

Complaint dismissed or withdrawn under Code of Conduct	Finding made under Code of Conduct	Inspector declines to accept complaint	Inspector stops dealing with complaint
Complaint withdrawn	Inspector publishes information	SAT does not find a specified breach	Inspector decides not to proceed after investigator's report

1.4 – Monitors

New Inspector Regulations – Regulations 12 to 16

- The Inspector may appoint a monitor to a local government to support and address issues
- A monitor may be appointed on request from the mayor/president, council or CEO
- A monitor is to work with a local government to:
  - Build capacity so that a local government performs its functions
  - Promote compliance with laws
  - Implement financial controls
  - Facilitate resolutions for interpersonal problems
- Costs related to appointing a monitor are to be borne by the local government

1.4 – Monitors

New Inspector Regulations – Regulations 12 to 16

Topic	Summary
Remuneration and expenses (r. 12)	Inspector sets the monitor's remuneration, allowable expenses and payment process before appointment – these must be included in the terms of appointment and paid by the local government.
Additional expense rules (r. 12)	Additional expenses may be approved by the Inspector.
Non-eligible persons (r. 13(2))	Monitors cannot be inspectorate officers, council members, regional subsidiary members, local government employees, regional subsidiary employees, or peak body employees (e.g. WALGA, LG Professionals WA).
ARIC ineligibility (r. 13(3))	Anyone serving on the local government's ARIC (including shared ARICs) cannot be appointed as a monitor for that local government.
Meeting powers (r. 16(2))	A monitor attending a meeting may adjourn it for up to 24 hours if it is disorderly, not conducted in accordance with the Act, or considering an unlawful motion.
Notification duty (r. 16(3))	If the adjournment pushes the meeting to the following day, the monitor must notify the Inspector.

1.5 – Infringement notices

New Inspector Regulations – Regulations 19 to 23

- Authorised officers have the authority to issue infringement notices for certain offences
- The Inspector may appoint an investigator as an authorised officer (r. 20 and s. 9.22C)
- Prescribed offences and modified penalties (s. 9.22B) are set out in Schedule 2
- The infringement notice form is set out in Schedule 3 and must be issued within 6 months of the offence being committed (and within 21 days after sufficient evidence is found)
- Schedule 4 provides for the withdrawal of an infringement notice

1.6 – Key transitionals

New Inspector Regulations – Regulations 24 to 27

Regulation	Summary
24 – Application	• Transitional regulations apply under Schedule 9.3, clause 81(2) of the Act.
25 – Publication of information relating to complaints	• There is a transitional period for publication of censure orders (s. 5.118) and minor breach findings (s. 5.121) under the old complaints system • The transitional period ends on **15 October 2027** • Local governments are required to publish this information until this date • The CEO is taken to be the complaints officer in relation to these functions
26 – SAT's enforcement powers	• Pre-2026 suspensions/disqualifications carry into the new framework • SAT matters already underway may continue under old provisions, with resulting orders treated under the new system
27 – Confidentiality and complaints	• Pre-2026 complaints keep old confidentiality rules

New Inspector Regulations – What you need to do

- ✓ Complaints continue under the current system until **31 December 2025**, with minor breach complaints still being dealt with by the Standards Panel
- ✓ From **1 January 2026** the new complaints framework starts and complaints can be made through the Inspector
- ✓ Behavioural breach complaints are to be dealt with by the local government unless escalated due to 2 previous behavioural breaches
- ✓ Read Local Government Inspector website (once launched)
- ✓ Consider Implementation Guide (available soon on the LGIRS website)

2. Inspector Amendment Regulations

Local Government Regulations Amendment (Local Government Amendment Act 2024) Regulations 2025

2.1 Closed meetings

2.2 Mandatory training compliance

2.3 Unreasonable complaints

2.4 Legal expenses

2.5 Changes to Code of Conduct

2.6 Regional subsidiaries

2.7 Key transitionals

2.1 – Closed meetings

Administration Regulations – Regulation 4A | Section 5.23(4)(g)

Prescribes additional information that may be treated as confidential at meetings (to be read alongside s. 5.23 of the Act):

- Price or potential price for sale or purchase of property by the local government
- Behavioural breach complaints and related information
- Property information for:
  - Shelters for homeless persons
  - Shelters for persons affected by family or domestic violence
  - Residences for employees or officers of local, State, or Commonwealth government

2.2 – Mandatory training compliance

New regulation 34AF: Council members must repay any fees or allowances paid in advance if they are sanctioned for failing to complete mandatory training

New regulation 36A: Council members must declare completion of mandatory training within one month after the 12-month period
Penalty: $5,000 fine and $500 per day for each day the offence continues

Regulation 36B amended: Other offences apply for not making the declaration or for making a false declaration

2.3 – Unreasonable complaints

Administration Regulations – Regulation 37A

- New Part 10A introduces provisions for how a local government CEO can manage unreasonable complaints
- The CEO must give written notice to the complainant, including:
  - Previous responses from the local government on the same issue
  - Reasons why the complaint is considered vexatious, frivolous, misconceived, or without substance
  - Reasons why responding would divert an unreasonable amount of resources
  - Information on how the complainant can lodge a general complaint with the Inspector regarding the CEO's decision

2.4 – Legal expenses

Financial Management Regulations – Regulations 19AA, 19D, 83 | Section 6.14A

- Regulation 19AA is amended to provide that approval of the Inspector is needed to write off the debt owed in relation to a repayable advanced payment
- New regulation 19D is inserted to prohibit local governments from paying, directly or indirectly, any council member's legal expenses for the following liabilities
  - Modified penalties and fines for offences under the Act
  - Amounts ordered by the State Administrative Tribunal under Part 4, Division 5 of the *State Administrative Tribunal Act 2004*
  - Exemplary or punitive damages awarded in civil court proceedings
  - An insurance premium that would or might indemnify a council member against a liability of the kind referred to above
- As a transitional arrangement, new regulation 19D does not apply to an insurance premiums before currently in place before **1 July 2026**

2.5 – Changes to Code of Conduct

Administration Regulations – Regulation 19ADA

- The employee code of conduct for local governments must require employees to disclose any secondary employment
- Aligns with existing requirements under the *Public Sector Management Act 1994* and is already a standard practice for many local governments

2.5 – Changes to Code of Conduct

Code of Conduct Regulations – Regulations 3A, 43, 14A and 14B

- Regulation 3A is inserted for behavioural breach complaints to be referred to the Inspector if the person has two prior behavioural breaches (from **1 January 2026**)
- Regulation 43 is amended to require behavioural breach complaints to be dealt with under clauses 12 – 15 of the Code
- Regulation 14A is inserted to provide the Inspector with the power to:
  - Appoint a monitor to assist in dealing with a complaint
  - Direct a local government to defer dealing with the complaint until the monitor reports to the Inspector on the outcome of their monitoring assignment
- Regulation 14B is inserted to allow the council to delegate these functions under clauses 12 and 13 of the Code of Conduct Regulations by absolute majority resolution to either a council-only committee or an external qualified, impartial person

2.6 – Regional subsidiaries

Regional Subsidiaries Regulations – Regulations 24, 24A and 24B

- The Amendment Act 2024 extended the Inspector's powers to regional subsidiaries
- Regulation 24 is amended to allow the Inspector to:
  - Conduct inquiries into regional subsidiaries in a way that informs the participants
  - Recommend winding up (if needed)
  - Recover inquiry costs from the regional subsidiary or its participants
- Regulation 24A is inserted to allow the Inspector to appoint a monitor to a regional subsidiary (participating councils must be informed)
- Regulation 24B is inserted to extend the powers of the Inspector, monitors and inspectorate officers to regional subsidiaries

2.7 – Key transitionals

Administration Regulations – Regulations 39 and 40

- Local governments must still publish relevant censure orders and maintain the minor breach register until **15 October 2027**
- Council members elected between **1 July 2025** and **31 December 2025** have an extended timeframe until **31 December 2026** to complete mandatory training and make their declaration
- The State Administrative Tribunal's enforcement powers remain in place, and suspension or disqualification orders continue after **1 January 2026**
- Minor breach complaints lodged by **31 December 2025** that are still being handled by the Standards Panel will continue to be dealt with under the existing framework, including the confidentiality rules that apply in the old section 5.123 of the Act

Inspector Amendment Regulations – What you need to do

- ✓ Prepare for commencement of New Inspector Regulations and Inspector Amendment Regulations and Inspector-related provisions of the 2024 Amendment Act from **1 January 2026**
- ✓ Review policies and procedures to ensure alignment with the various sets of regulations being amended (Administration, Audit, Financial Management, Functions and General, Model Code of Conduct and Regional Subsidiaries)
- ✓ Ensure familiarity with new closed meeting provisions and application to meetings from **1 January 2026** (see s. 5.23 of Act and r. 4A of Administration Regulations)
- ✓ All local governments will need to adopt an updated model Code of Conduct for council members, candidates and committee members to reflect the new complaints handling system
- ✓ All local government CEOs will need to make a new employee Code of Conduct to disclose secondary employment
- ✓ Consider Implementation Guide (available soon on the LGIRS website)

3. ARIC Amendment Regulations

Local Government Regulations Amendment Regulations (No. 4) 2025

3.1 Transition from audit committees to ARICs

3.2 ARIC structure and fees

3.3 Functions of ARICs

3.4 Compliance audits

3.5 Shared ARICs

3.6 System reviews

3.1 – Transition from audit committees to ARICs

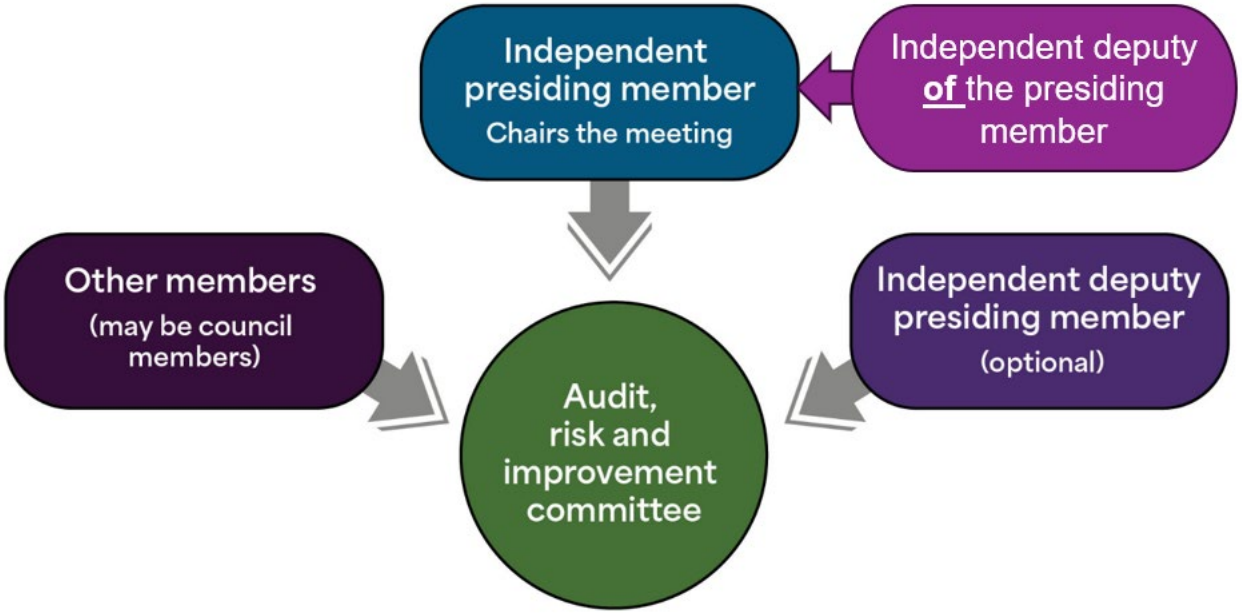
Audit Regulations – Regulations 19 and 20

- ARICs must be established within **6 months** of the commencement of Part 7, Division 1A of the Act
- All local governments are required to have an ARIC in place by **30 June 2026**
- Existing audit committees that already meet the transitional requirements will automatically transition to an ARIC

3.2 – ARIC structure and fees

- Council must appoint at least two independent members:
  - **Presiding Member**
  - **Deputy of the Presiding Member** (acts when the Presiding Member is unavailable)
- A council may choose to appoint a **Deputy Presiding Member** – if appointed, this person must also be independent and cannot be the same person as the **Deputy of the Presiding Member**
- Independent members are entitled to **sitting fees** as determined by the Salaries and Allowances Tribunal and in accordance with section 5.100 of the Act (currently **$450** per meeting)
- In addition to sitting fees, independent members may claim reimbursement for actual travel expenses incurred in attending ARIC meetings

3.2 – Membership overview



3.3 – Functions of ARICs

Audit Regulations – Regulation 16

Function area	Summary of requirement
Audit, compliance and reviews	• Receive & review reports on Part 7 audits, compliance audits, and regulation 17 reviews • Make recommendations to the Council on actions to be taken
Systems and procedures	• Review appropriateness and effectiveness of **financial management**, **legislative compliance** and **risk management** • Recommend improvements to the Council
Implementation of actions	• Requirements under **section 7.12A(3)** – *review the audit report and ensure required actions are identified and carried out* • In relation to a report under **section 7.12A(4)(a) –** *prepare a response addressing significant audit findings and outline actions taken or planned* • In relation to **section 8.6(1)(a)** – *review written advice prepared by the CEO under this section and consider any resulting actions* • In relation to **section 8.23(4)(a)** - *review written advice prepared under this section and consider recommended actions for Council*
Other functions	• Any other function under the regulations or another written law

3.4 – Compliance audits

Audit Regulations – Regulation 14

Function area	Summary of Regulation 14 requirements
Annual compliance audit	• Local governments must complete a yearly compliance audit (**1 January** to **31 December**) • Audit covers statutory requirements prescribed in reg. 13
CEO responsibilities	• CEO prepares the Compliance Audit Return (**CAR**) in a format approved by the Inspector • CEO submits the CAR to the ARIC
ARIC responsibilities	• ARIC reviews the CAR • ARIC reports results to Council and makes any recommendations it considers appropriate
Council responsibilities	• Council considers the CAR and ARIC's review at a council meeting • Council decides if any issues require action • Council adopts the CAR (with or without amendments)

- Transition of CAR to Inspector for consistency with the overall compliance framework
- Inspector has flexibility to include prescribed statutory provisions in CAR **once in every 4-year period**, which allows for a targeted, risk-based approach

3.5 – Shared ARICs

Audit Regulations – Regulation 4 and 5 | Section 7.1CB(6)-(7)

- Local governments may form a **shared ARIC**
- Participating local governments must enter into an agreement outlining decision-making, member removal and collective exercise of powers
- Employees cannot be members but can serve on another local government's shared ARIC if they meet eligibility requirements
- Presiding member, deputy presiding member, and the deputy of presiding member must be independent and appointed by absolute majority of each participating council
- All members are bound by their respective Code of Conduct – non-council members follow one of the participating local government's Code of Conduct as specified in the shared ARIC agreement

3.6 – Systems reviews

Audit Regulations – Regulation 17

Topic	Old requirements	New requirements
What the CEO must review	• Risk management • ***Internal control*** • Legislative compliance	• ***Financial management*** • Legislative compliance • Risk management
Review frequency	• Each area reviewed at least **once every 3 financial years**	• Each area reviewed at least **once every 4 financial years**
Governance alignment	• Audit committee model	• Integrated into new ARIC structure with continuous improvement focus

ARIC Amendment Regulations – What you need to do

- ✓ Review current audit committee membership to confirm if your local government will have an automatically deemed ARIC from **1 January 2026**, or if a new ARIC must be established
- ✓ If not a deemed ARIC – establish an ARIC (or shared ARIC) with the required independent members by **30 June 2026**
- ✓ Review terms of reference, policies, and procedures to ensure alignment with ARIC Amendment Regulations
- ✓ Update review schedules and internal compliance calendars
- ✓ Compliance Audit Return – 2025 CAR will be deferred to allow transition from LGIRS to Inspector (new due date is **30 September 2026**)
- ✓ Consider Implementation Guide (available soon on the LGIRS website)

Current resources

- Local Government Amendment Bill 2024 on WA Parliament website
- ‘As made’ section (2025) of the WA Legislation website for regulations and proclamations
- *Local Government Amendment Act 2024*
- *Local Government Act 1995* (amended from **1 January 2026**)
- Background information LGIRS Local Government Reform webpages and the Implementation webpage (updated from **1 January 2026**)

Future support materials

Local Government alert

Web articles on Inspector and ARICs

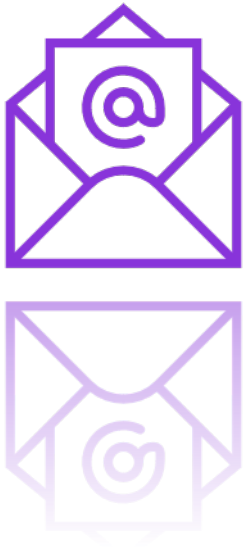
Implementation guides

Fact sheets

Webinar recording published and copies of slides emailed to attendees

Local Government Inspector's website launch

Email contacts



Regulatory reform queries

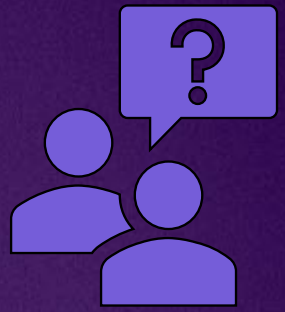
actreview@lgirs.wa.gov.au

Independent person recruitment support

goodgovernance@lgirs.wa.gov.au

Department of **Local Government, Industry Regulation and Safety**

GOVERNMENT OF WESTERN AUSTRALIA



Questions?

Please submit via the Teams 'Q and A'

Strategic Risk Register Report

DRAFT

Primary	Causes	Consequences	Inherent Risk Rating #	Controls	Residual Risk Rating	Objective Area	Strategic Risk No.
The Shire lacks the workforce capacity, capability or culture to deliver the Council Plan	1.Tight labour market and difficulty attracting suitably skilled staff 2.Ageing workforce and loss of corporate knowledge through turnover or retirement 3.Insufficient workforce planning linked to Council Plan priorities 4.Skills gaps and limited access to specialist expertise 5.Inadequate training, development or succession planning 6.Leadership capability gaps or inconsistent management practices 7.Workload pressures, fatigue and wellbeing impacts 8.Cultural misalignment, low engagement or resistance to change 9.Reliance on key individuals without adequate back-up or depth 10.External pressures (legislative change, funding constraints, service growth)	1.Failure to deliver Council Plan outcomes and priorities 2.Decline in service quality, timeliness and responsiveness 3.Increased staff turnover, burnout and loss of corporate knowledge 4.Greater reliance on contractors with higher costs and reduced continuity 5.Reduced organisational resilience and adaptability to change 6.Reputational damage and loss of community confidence 7.Increased safety, compliance and governance risks 8.Reduced value for money and financial inefficiency	8	1.Work Health, Safety and Wellbeing Management Framework 2.Training, Induction and Ongoing Skills Development Programs 3. Performance Management and Executive Review Processes 4. Industrial Agreements and Employment Frameworks 5.Consultation, Communication and Change Management Mechanisms 6. Workforce Resilience and Business Continuity Planning	4	People	SR-01
Variability between development / growth within the district, and the Shire's Planning Framework impacting revenue streams, service delivery and community agreement as to how growth / development should occur.	1. Lack of strategic urban and regional planning to deliver sustainable growth 2. Complex planning system impacts being able to effectively manage economic growth 3. Insufficient / weak planning and development to deliver growth 4. Lack of infrastructure coordination to support growth 5. Reactive planning to short term issues which undermines strategic direction 6. Lack of resources within the planning teams	1. Loss of businesses and associated economic consequences 2. Uncontrolled growth which dimishes natual and agricultural resources 3. Community unrest and disillusionment with the Shire 4. Altering the look and feel of the Shire 5. Reputational damage (escalation to other bodies, media)	8	2. Developer Contribution Scheme 3. Structure plans 4. Local Planning Strategy and scheme 5. Local Development Plans 6. Payment in lieu of parking plan 7. Local Heritage Survey 8. Economic Development and Tourism Strategy 9. Integrated Planning and Reporting (LTFP, CBP) 10. Supporting major infrastructure projects (e.g. SW Highway) 11.Quality control over subdivision conditions	4	Place Prosperity	SR-02
Change in financial capacity impacting service and/or project quality and delivery	1. Economic downturn impacting revenue 2. Inaccurate population growth predictions 3. Developer Contribution Scheme and gifted assets 4. Land investing / acquistion 5. Business investment in the Shire 6. Uncertainty over government funding 7. Uncertainty over fees and charges 8.Rating Strategy and subsequent rate revenue 9. Changing compliance requirements 10. Loss of grant funding due to the untimely delivery of works 11. Inflation resulting in cost increases 12. Mismanagement of projects resulting in unexpected costs	1. Financial sustainability 2.Reputation damage 3. Attraction & retention of if businesses and associated economic consequences: 4. Poorly maintained assets 5. Unable to meet community expectations 6. Breakdown in relationship between Council and Administration 7. Inability to match grant funding obligations 8. Inability to retain staff 9. Project benefits cannot be achieved 10. Project scope reduction	8	1. Long Term Financial Plan 2. Corporate Business Plan and routine reporting to Council 3. Finance dashboards for budget monitoring 4. Rating Strategy 5. Financial Health Indicator 6. Developer Contribution Plan Financial Audit Results 7. Community Infrastructure Implementation Plan 8. Planning for the Future Advocacy plan 9. Economic Development and Tourism Strategy 10. Project and Contract Management Framework 11. Grant agreements with fundng bodies to assist in asset upgrades. 12. Overhead monitoring	4	Prosperity Performance	SR-03
Change in political and stakeholder working relationships, impacting partnerships, alliances, project support (e.g. funding) and/or management of stakeholder expectations.	1. Consideration of possible partnerships (what do you/they need and what can you/they offer) to deliver greater operating power and minimise competition 2. Inadequate / infrequent engagement with community and stakeholders 3. Unclear understanding of stakeholder expectations 4. Conflicting priorities between Shire and Stakeholders 5. Project delivery not progressing as planned or within timeframes 6. Legacy / historical dealings 7. LGA tier hieracy (Band 3, SW region) 8. Differing political views / objectives 9. Council instability or Elected Member resignation	1. Impacts on the Shire's performance 2. Reputation damage 3. Unable to source / secure major external grant funding 4. Advocate for community and Shire matters 5. Government interest in Shire may shift 6. Unable to have input in major State Government projects 7. Project delays	10	1. Planning for the Future Advocacy Plan 2. Agreements with Main Roads and Federal Gov. to obtain infrastructure upgrades 3. Hypergrowth Network Implementation Plan - Lobby and advocate the Government to assist in upgrading the Shire's hypergrowth roads that are currently underservicing the future population 4. CEO/Shire President meeting regularly with Minister / Local Member 5. Stakeholder Management Plan 6. Communications Protocol and Communications Policy 7. Project Management Framework (to provide project delivery assurance) 8. Supporting major infrastructure projects (e.g. SW Highway): Various memberships and networking with regional partners 9. Continued engagement with NGAA to influence	5	People Prosperity Performance	SR-04
A continually changing climate and environment impacting people's ability to access nature and the Shire's management of natural resources and activities	1. Lack of natural area reserve management within the Shire 2. Inadequate planning control over development which causes the loss of natural areas 3. Lack of compliance and enforcement, which results in damage to the natural environment 4. Inadequate balance in the consideration of environment issues in Shire roads and other infrastructure projects 5. Lack of asset management actions specific to local natural area reserves, managed by the Shire. 6. Failure to implement and maintain environmental offsets required by State and Federal regulatory approvals for Shire projects 7. Lack of community support for urban and rural tree canopy being provided and maintained within road verges of the Shire 8. Increased average temperatures which impacts on the coping capacity of local natural areas, causing their natural decline 9. Inadequate resources for response and recovery of the natural environment following a disaster (e.g. environmental pests, disease, bushfire etc)	1. Reduced community liveability and wellbeing 2. Reputation damage 3. Financial impacts (e.g., cost of restoration) 4. Reduced Tourism 5. Loss of environmental assets (trees, wetlands, lakes) 6. Inability to implement emergency preparedness and activities e.g., from longer/changing seasons 7. Restriction on undertaking road improvements 8. Ground water availability disappears having impacts on natural assets 9. Loss of wildlife	12	1. Clearing Permits / "Licence to take" applications 2. State and Federal environmental policy regulations and legislation 3. Verge and Reserve Management including community engagement (feral animal control, weed control, fencing, dieback, friends of groups, tree planting etc.) 4. Bushfire Mitigation Works cognisant of environmental issues 5. Use of recycled material for road construction 6. CARG Climate Change Action Plan 7. CARG membership	8	People Planet	SR-05
Council strategies, priorities and major initiatives are not delivered	1.Over-commitment of Council priorities beyond available financial, workforce or asset capacity 2.Poor prioritisation or sequencing of initiatives 3.Inadequate project planning, scoping or business cases 4.Insufficient governance, sponsorship or accountability for major initiatives 5.Lack of alignment between the Council Plan, budget, workforce and asset planning 6.Limited organisational capacity or capability to deliver complex projects 7.Competing operational demands diverting resources from strategic delivery 8.Inadequate monitoring, reporting or early escalation of delivery issues 9.Dependence on external funding, partners or approvals that are delayed or withdrawn 10.Change fatigue, resistance to change or poor change management	1.Council Plan objectives are not achieved 2.Cost overruns, delays or abandonment of major initiatives 3.Misalignment between strategy, budget and service delivery 4.Loss of credibility with the community, partners and funding bodies 5.Reduced community trust and confidence in Council leadership 6.Missed funding, growth or service improvement opportunities 7.Increased scrutiny from auditors and regulators 8.Organisational fatigue and reduced morale	12	1.Council Plan 2.Informing plans and strategies (Workforce Plan, Budget) 3.Project and Program Governance processes 4.Executive and Council Performance Monitoring and Reporting 5.Risk Management and Assurance Oversight (Audit & Risk Management Committee) 6.External Funding, Partnership and Grant Management Controls	8	Performance	SR-06
The Delivery Phase of Major Capital Projects not delivered in accordance with compliance frameworks and agreed timelines	1. Lack of responsibility, accountability or oversight 2. Lack of enforcement for non-compliance 3. Insufficient stakeholder engagement 4. Inadequate project governance, such as: - planning and scoping- project monitoring and reporting- risk management- stakeholder management 5. Poor planning of advocacy projects leading to unrealistic timeframes to complete projects by funders	1. Consistent underachievement of project outcomes resulting in diminished organisational credibility, loss of community trust, and reduced access to future funding. 2. Non delivery or delayed delivery of projects 3. Financial impacts 4. Reputational damage	12	1. Council Plan Reporting and Review Process 2. Budget Review Process 3. Extension of time requests to funding partners 4. Procurement Policies and procedures	8	Performance	SR-07
Global, national or local pandemic impacts the Shire	1.Emergence of highly infectious or novel diseases beyond local control 2.Dependence on external public health responses and government directives 3.Reduced workforce availability due to illness, isolation or caring responsibilities 4.Disruption to essential services and supply chains 5.Limited surge capacity or cross-skilling within the workforce 6.Inadequate pandemic-specific business continuity or response planning 7.Increased community vulnerability and demand for support services 8.Financial pressures arising from reduced revenue and increased response costs 9.Rapidly changing regulatory, health and safety requirements 10.Community anxiety, misinformation or reduced compliance with public health measures	1.Reduced workforce availability and operational capacity 2.Disruption to essential and non-essential service delivery 3.Increased community vulnerability and demand for support 4.Financial pressure from reduced revenue and increased costs 5.Delays to projects, programs and statutory processes 6.Increased health, safety and wellbeing risks to staff and community 7.Reputational impacts if response is perceived as inadequate 8.Long-term impacts on organisational resilience and recovery	15	1.Business Continuity Planning 2.Emergency Management and Incident Coordination Arrangements 3.Flexible Workforce and Remote Working Arrangements 4.Work Health, Safety and Wellbeing Controls 5.Service Prioritisation and Continuity of Essential Services Framework 6.Public Health Coordination and Information Management 7.ICT Resilience and System Availability Controls	10	People	SR-08
Acts of terrorism or violent extremism impact the Shire	1.Global or national security threats beyond the Shire's direct control 2.Lone-actor or opportunistic incidents targeting public places or events 3.Public events, gatherings or facilities that increase exposure and visibility 4.Limited ability to detect or prevent radicalisation or extremist behaviour locally 5.Reliance on external intelligence, policing and security agencies for threat awareness 6.Inadequate security design or protective measures at public assets and facilities 7.Insufficient staff awareness or preparedness to identify and respond to threats 8.Rapid escalation of incidents with limited warning time 9.Community tensions, misinformation or social unrest contributing to risk 10.Evolving threat landscape and changing methods of attack	1.Loss of life or serious injury to community members or staff 2.Community trauma and long-term social impacts 3.Disruption to Council services, facilities and operations 4.Damage to public infrastructure and assets 5.Significant reputational damage and loss of public confidence 6.Legal liability and regulatory scrutiny 7.Increased security and recovery costs 8.Long-term impacts on community perceptions of safety	15	1.Emergency Management and Incident Response Planning 2.Business Continuity and Crisis Management Framework 3.Coordination with WA Police, Emergency Services and State Agencies 4.Public Event, Facility and Infrastructure Risk Assessments 5.Security and Safety Measures for Council Assets and Public Places 6.Staff Awareness, Training and Incident Reporting Arrangements 7.Community Communication and Information Management processes 8.Insurance	10	Performance	SR-09

Primary	Causes	Consequences	Inherent Risk Rating #	Controls	Residual Risk Rating	Objective Area	Strategic Risk No.
Ineffective work health and safety management	1.Inadequate WHS governance, leadership oversight or accountability 2.Poor safety culture or inconsistent leadership commitment to WHS 3.Insufficient hazard identification, risk assessment or control implementation 4.Inadequate training, induction or supervision of employees and contractors 5.Failure to manage psychosocial hazards such as workload, fatigue and stress 6.Incomplete or ineffective incident reporting, investigation and follow-up 7.Non-compliance with WHS legislation, codes of practice or standards 8.Insufficient resourcing for WHS systems, audits or continuous improvement 9.Reliance on informal practices rather than documented systems and procedures 10.Poor contractor management and oversight of third-party safety performance	1.Serious injury or fatality to employees, contractors or the public 2.Prosecutions, fines or enforceable undertakings 3.Increased workers' compensation and insurance costs 4.Work stoppages, lost productivity and service disruption 5.Reputational damage and loss of community trust 6.Reduced staff morale, engagement and retention 7.Increased regulatory and audit scrutiny 8.Loss of organisational capability and resilience	15	1.WHS Policies, Procedures and Safe Work Instructions 2.Hazard Identification, Risk Assessment and Incident Reporting Processes 3.Training, Induction and Competency Requirements (including contractors) 4.Leadership Accountability and WHS Governance Oversight 5.Consultation with Employees and Health and Safety Representatives 6.Auditing, Inspections and Continuous Improvement Programs 7.Wellbeing, Psychosocial Risk and Injury Management Programs 8. Regional Risk Coordinator	10	Performance	SR-10
Governance, leadership or decision-making are ineffective	1.Unclear roles, responsibilities or accountabilities between Council and Administration 2.Insufficient induction, training or ongoing development for Elected Members 3.Leadership capability gaps at executive or senior management level 4.Poor quality, incomplete or untimely information provided for decision-making 5.Inadequate governance frameworks, policies or delegations 6.Weak oversight, assurance or internal control mechanisms 7.Inconsistent application of policies, procedures or decision-making standards 8.Ineffective performance management and accountability arrangements 9.Cultural issues such as lack of trust, transparency or ethical leadership 10.Failure to identify, escalate or address governance and performance issues early	1.Poor strategic decisions and sub-optimal outcomes 2.Failure to achieve Council Plan objectives 3.Increased organisational conflict or dysfunction 4.Adverse audit findings and regulatory intervention 5.Loss of community trust and confidence in Council 6.Increased legal, financial or compliance exposure 7.Reduced organisational performance and accountability 8.Damage to Council's reputation and credibility	16	1. Elected Member Induction, Training and Development 2. Delegations, Policies and Decision-Making Authorities 3. Executive Leadership and Performance Management Processes 4. Quality Reporting, Briefing and Information Management Standards 5. Audit, Risk and Governance Committee Oversight 6.Internal and External Audit and Assurance Activities 7.Code of Conduct, Ethical Standards and Complaints Handling Processes	12	Performance	SR-11
Possible loss of life, property and critical infrastructure	1. Natural disasters (Bushfires, flooding etc) 2. Inadequate transportation in and out of the shire (including public transport options and private transport options e.g. safe roads) 3. Inadequate telecommunication technology (internet, mobile) 4. failure to regulate fire break notices, fire permit permissions and requirements 5. failure to support an effective bushfire brigade response 6. failure to educate community on property management, the importance of shared responsibility and safe burning off practices 7. failure to build community awareness in respect of early and coherent decision making related to fires 8. failure to allocate human resources to manage community engagement and education in respect of bush fire preparedness and prevention 9. failure to implement a practice of rural and urban verge management policy 10. failure of land owners to maintain road verges adjoining their land 11. failure of the Shire to fund reasonable and practicable management of reserves including trails, drains, bush land reserves, multi use corridors and major transportation routes 12. failure to enter into a MOU with surrounding local governments for response and recovery 13. failure to obtain grants to address high risk areas identified by the endorsed bush fire risk management plan 14. lack of internal staff awareness of response, recovery roles and responsibilities	1. Environmental impacts 2. Community Unrest and impact on community due to recovery process/ timeframes 3. Loss of Businesses 4. Reputation damage 5. Legal action / liability for inappropriate actions 6. Reduction in land values 7. Impact on growth of the Shire 8. Financial consequences on insurance and rates 9. Staff and communuity psychosocial health impacts 10. Impact on Shire operations (due to recovery arrangements) 11. Loss of life, property and infrastructure	20	1. Regulatory compliance in accordance with the Bush Fires Act 1954 and subsidiary legislation 2. Dedicated emergency services team including CESM Partnership between the Shire and DFES 3. Bush Fire Brigades and 500+ active volunteers 4. State Government Bushfire Mitigation Activity Funding program and implementation of mitigation works 5. Bush Fire Advisory Committee and Local Emergency Management Committee 6. Municipal budget funding for bush fire management 7. Local Emergency Management Arrangements 8. Backup generator for the communications tower in Jarrahdale 9. Opt in text message system for the Shire for Total Fire Bans 10. Annual Emergency Services Communication Plan (including emergency preparedness activities) 11. Urban and Rural Verge Council Policy 12. Maintenance Schedule for Verges	15	People Planet Place Prosperity Performance	SR-12
Non-compliance with relevant laws, regulations, and compliance standards including work health & safety.	1. Change management and associated conflicts 2. Staff turnover 3. Inconsistant communication / engagement / collaboration across the organisation / SILO operations 4. Outdated documentation (e.g. policies, procedures, forms) 5. Inefficient business systems 6. Paper-based, manual processes 7. Legislation amendments / reform 8. Lack of organisational capacity and resources to be abreast of upcoming change and to implement change 9. Inadequate oversight, reporting and evaluation mechanisms 10. Supporting processes (e.g. procurement, contracting) not considering WHS factors	1. Impact on organisational performance (e.g. industrial relations activity, loss of resources) 2. Reputation damage / Impact of public confidence in the shire (investigations, inquries, appointment of commissioner etc.) 3. Worker Injury 4. Financial cost increases (e.g. Insurance Premiums, Prosecutions) 5. Personal liability (for WHS failure) 6. Breakdown in relationship between council and administration	20	1. Worker Inductions 2. Organisational vision and values 3. Attain - Compliance Management Software 4. Annual delegations review 5. Policy and procedure review 6. Internal Audits 7. Regulation 5 and 17 Reviews and CAR 8. Financial Audits 9. Safety documentation and processes (e.g. Safety Manuals, Procedures, Methods, Forms) 10. Health and Safety Representative Committee 11. Hazard Inspections and audits 12. WHS Support Team (2 FTE) 13. Operational WHS Risk Register 14. Subcriptions e.g., WA Legislation RSS Notifications, WALGA, LG Pro, DLGRIS	16	Performance	SR-13
Substantial or major loss or corruption of records or data	1.Inadequate records and information management governance or frameworks 2.Failure or unavailability of core ICT systems or infrastructure 3.Insufficient data backup, disaster recovery or restoration arrangements 4.Cyber security incidents such as malware, ransomware or unauthorised access 5.Poor records management practices or non-compliance with retention requirements 6.Human error, accidental deletion or improper handling of records and data 7.Insufficient staff training and awareness in records and information management 8.Inadequate access controls, permissions or segregation of duties 9.Physical damage to records or systems (fire, flood, power outage, equipment failure) 10.Over-reliance on key systems or individuals without redundancy or documentation	1.Inability to demonstrate compliance or defend decisions 2.Disruption to service delivery and business operations 3.Legal, regulatory or statutory non-compliance 4.Financial loss and recovery costs 5.Loss of corporate knowledge and historical records 6.Reputational damage and loss of community trust 7.Increased cyber, privacy or security exposure 8.Reduced organisational efficiency and confidence in systems	20	1.Records Keeping Plan 2.Electronic Document and Records Management System (EDRMS) 3.Information Security and Cyber Security Controls 4.Data Backup, Disaster Recovery and System Restoration Arrangements 5.Records Retention, Disposal and Archiving Schedules 6.Access Controls and User Permission Management 7.Staff Training and Awareness in Records and Information Management 8.Audit, Compliance Monitoring and Assurance Activities	16	Performance	SR-14
Ageing / sub-standard assets requiring renewal, upgrade and maintenance, Infrastructure and assets do not meet community needs or fail prematurely	1. Construction traffic associated with development and growth accelarating the deterioration of the road assets. 2. Ageing assets 3. Insufficient funding including a lack of asset replacement funding 4. Large number of assets compared to rates base	1. Poor livability outcomes for new or existing communities 2. Unsafe assets 3. Decrease in community cohesion 4. Poor levels of service 5. Perception that uneven resource distribution by the shire 6. Reputation damage 7. Inability to undertake proactive upgrades 8. Financial sustainability	20	1. Asset Management Plans incorporating forward works plans 2. Asset Management Strategy 3. Condition survey program for each asset class 4. Long Term Financial Plan 5. Property Management Framework 6. Incorporating the direction of the financial sustainability review 7. Rating Strategy 8. Annual strategic financial report to Council (budget setting process) 9. Seek grant funding to assist in asset upgrades 10. Asset Register and Finance System	16	Place Performance	SR-15
Inability to keep up with continually evolving ICT environment impacting the management of the organisation's ICT Controls, security, and digital transformation	1. Rapid advancements and evolution in technology outpacing the organisation's ability to adapt including hardware, software and best practises. 2. Lack of established guiding principles for all ICT and software decisions 3. Lack of standard Change Management Process for all core system and process changes 4. Lack of integration within business units to develop better system functional knowledge 5. Insufficient funding / budgetary constraints 6. Lack of staff with specialised skills (contract management, service management) 7. Dependancies on legacy systems 8. Increasing levels of service and expectation 9. Organisational inefficiencies and evolution to digital practices 10. Artificial Intelligence	1. Impact on organisational performance and efficiency 2. Increased risk of cyber incidents (eg data / privacy breaches, randomware attacks) 3. Reputational damage (e.g. impacts on customer service delivery, data integrity, digital expectations, loss of trust) 4. Financial loss from cyber attacks 5. Increased operational costs due to reactive rather than proactive maintenance 6. Poor user experience for staff and customer to due to slow or unreliable systems 7. Lack of accountability and poor quality of work including data inaccuracy (e.g., incorrect use of AI) 8. Non-compliance with legislation (e.g live streaming)	25	1. Cyber Security framework adherence (Australian Cyber Security Centre Essential Eight) and-government/essential-cybersecurity/essential-eight 2. Policies for Information Security & Risk Management - TBD 3. ICT Risk Register 4. ICT Strategic Plan - TBD 5. ICT Disaster Recovery Plan 6. Monitoring of Security Event Logs (Security Information & Event Management/ SIEM tool) and response through a SOC (Security Operations Centre) 7. Change Management (Framework for ICT) - TBD 8. Cloud Management/Cloud first approach including Cloud Migration Strategy TBD 9. Business Continuity Planning 10.Asset lifecycle management plan (TBD) 11.Regular ICT auditing including penetration testing 12.Regular reviews of technical documentation and process including BOPs, policies, work instructions and QRGs	20	Performance	SR-16

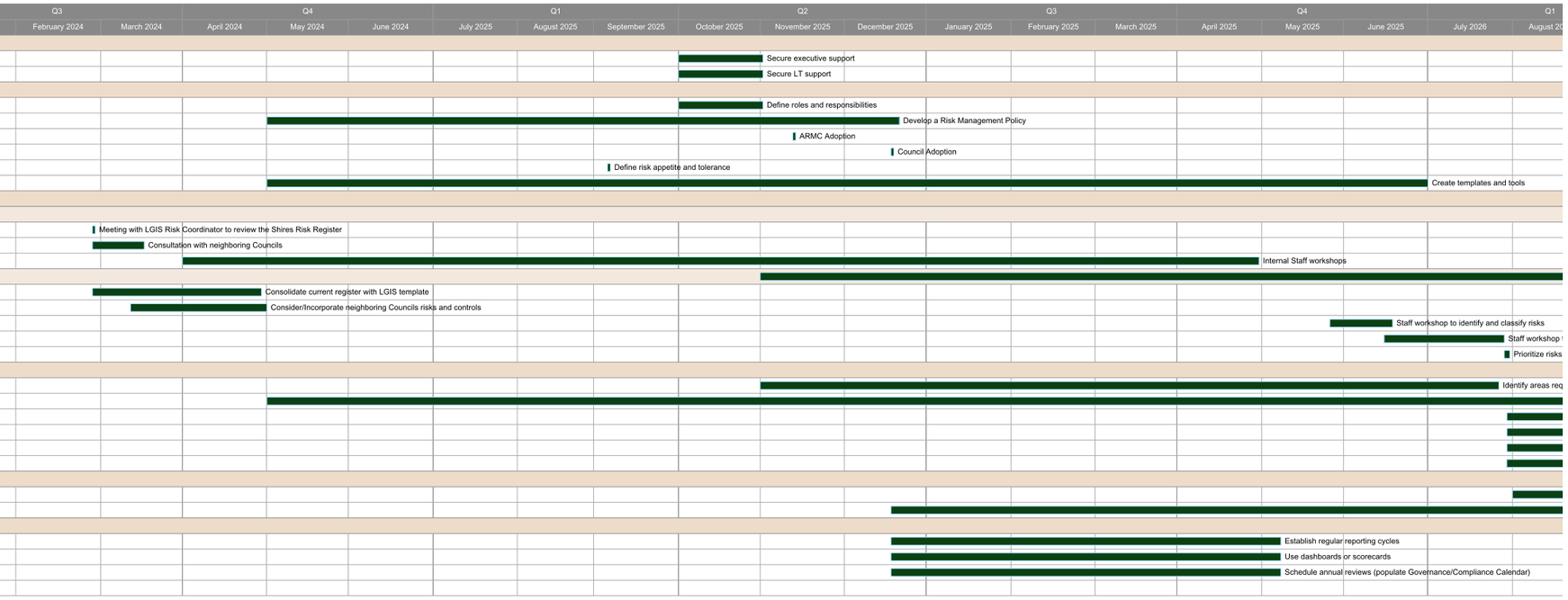
Consequence Category by Risk Theme	Inherent Risk Rating #	Risk Tolerated (Inherent)	Residual Risk Rating
Community			
Business and Community Disruption	12	Urgent Attention Required	12
Errors, Omissions and Delays	9	Monitor	9
External Theft and Fraud	4	Tolerated	4
Failure of IT and/or Communication Systems and Infrastructure	12	Urgent Attention Required	6
Failure to Fulfil Statutory, Regulatory or Compliance Requirements	6	Monitor	4
Inadequate Asset Sustainability Practices	9	Monitor	0
Inadequate Document Management Processes	0		N/A
Inadequate Engagement Practices	12	Urgent Attention Required	8
Inadequate Environmental Management	9	Monitor	0
Inadequate Project/Change Management	9	Monitor	9
Inadequate Safety and Security Practices	6	Monitor	6
Inadequate Supplier/Contract Management	6	Monitor	0
Ineffective Employment Practices	6	Monitor	4
Ineffective Management of Facilities/Venues/Events	12	Urgent Attention Required	6
Misconduct	6	Monitor	6
Providing Inaccurate Advice/Information	12	Urgent Attention Required	12
Compliance			
Business and Community Disruption	16	Unacceptable	16
Errors, Omissions and Delays	6	Monitor	6
External Theft and Fraud	4	Tolerated	4
Failure of IT and/or Communication Systems and Infrastructure	12	Urgent Attention Required	6
Failure to Fulfil Statutory, Regulatory or Compliance Requirements	9	Monitor	6
Inadequate Asset Sustainability Practices	8	Monitor	0
Inadequate Document Management Processes	15	Urgent Attention Required	15
Inadequate Engagement Practices	3	Tolerated	2
Inadequate Environmental Management	9	Monitor	0
Inadequate Project/Change Management	6	Monitor	6
Inadequate Safety and Security Practices	12	Urgent Attention Required	12
Inadequate Supplier/Contract Management	9	Monitor	0
Ineffective Employment Practices	4	Tolerated	2
Ineffective Management of Facilities/Venues/Events	3	Tolerated	2
Misconduct	6	Monitor	6
Providing Inaccurate Advice/Information	4	Tolerated	4
Environment			
Business and Community Disruption	3	Tolerated	3
Errors, Omissions and Delays	3	Tolerated	3
External Theft and Fraud	1	Tolerated	1
Failure of IT and/or Communication Systems and Infrastructure	3	Tolerated	2
Failure to Fulfil Statutory, Regulatory or Compliance Requirements	12	Urgent Attention Required	8
Inadequate Asset Sustainability Practices	9	Monitor	0
Inadequate Document Management Processes	0		N/A
Inadequate Engagement Practices	9	Monitor	6
Inadequate Environmental Management	12	Urgent Attention Required	0
Inadequate Project/Change Management	12	Urgent Attention Required	12
Inadequate Safety and Security Practices	3	Tolerated	3
Inadequate Supplier/Contract Management	0		0
Ineffective Employment Practices	0		N/A
Ineffective Management of Facilities/Venues/Events	12	Urgent Attention Required	6
Misconduct	4	Tolerated	4
Providing Inaccurate Advice/Information	0		N/A
Financial			
Business and Community Disruption	4	Tolerated	4
Errors, Omissions and Delays	6	Monitor	6
External Theft and Fraud	3	Tolerated	3

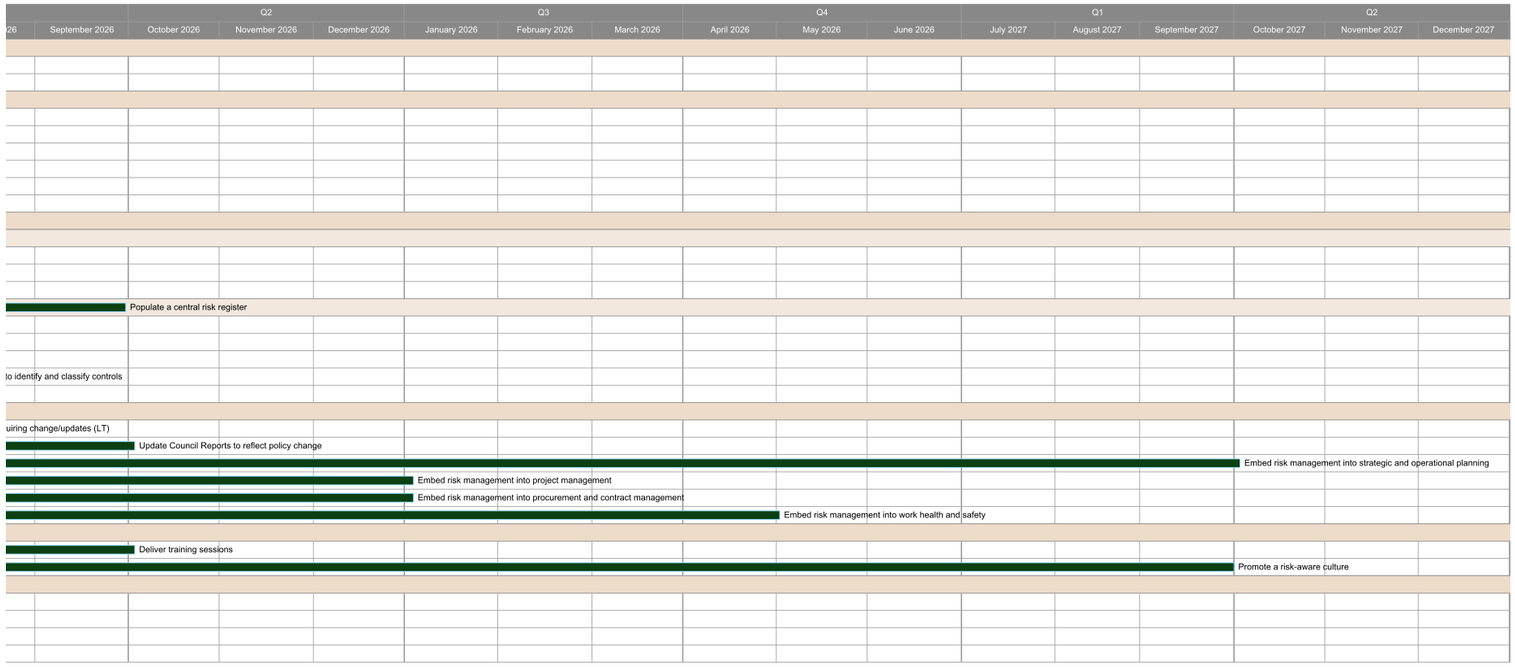
Consequence Category by Risk Theme	Inherent Risk Rating #	Risk Tolerated (Inherent)	Residual Risk Rating
Failure of IT and/or Communication Systems and Infrastructure	12	Urgent Attention Required	6
Failure to Fulfil Statutory, Regulatory or Compliance Requirements	3	Tolerated	2
Inadequate Asset Sustainability Practices	12	Urgent Attention Required	0
Inadequate Document Management Processes	16	Unacceptable	16
Inadequate Engagement Practices	6	Monitor	4
Inadequate Environmental Management	12	Urgent Attention Required	0
Inadequate Project/Change Management	12	Urgent Attention Required	12
Inadequate Safety and Security Practices	8	Monitor	8
Inadequate Supplier/Contract Management	12	Urgent Attention Required	0
Ineffective Employment Practices	4	Tolerated	2
Ineffective Management of Facilities/Venues/Events	6	Monitor	2
Misconduct	2	Tolerated	2
Providing Inaccurate Advice/Information	9	Monitor	9
Health & Safety			
Business and Community Disruption	8	Monitor	8
Errors, Omissions and Delays	12	Urgent Attention Required	12
External Theft and Fraud	2	Tolerated	2
Failure of IT and/or Communication Systems and Infrastructure	0		N/A
Failure to Fulfil Statutory, Regulatory or Compliance Requirements	0		N/A
Inadequate Asset Sustainability Practices	4	Tolerated	0
Inadequate Document Management Processes	0		N/A
Inadequate Engagement Practices	6	Monitor	3
Inadequate Environmental Management	6	Monitor	0
Inadequate Project/Change Management	0		N/A
Inadequate Safety and Security Practices	12	Urgent Attention Required	12
Inadequate Supplier/Contract Management	0		N/A
Ineffective Employment Practices	4	Tolerated	2
Ineffective Management of Facilities/Venues/Events	6	Monitor	2
Misconduct	9	Monitor	9
Providing Inaccurate Advice/Information	0		N/A
Property			
Business and Community Disruption	12	Urgent Attention Required	12
Errors, Omissions and Delays	9	Monitor	9
External Theft and Fraud	6	Monitor	6
Failure of IT and/or Communication Systems and Infrastructure	12	Urgent Attention Required	6
Failure to Fulfil Statutory, Regulatory or Compliance Requirements	1	Tolerated	0
Inadequate Asset Sustainability Practices	12	Urgent Attention Required	0
Inadequate Document Management Processes	0		N/A
Inadequate Engagement Practices	1	Tolerated	1
Inadequate Environmental Management	9	Monitor	0
Inadequate Project/Change Management	0		N/A
Inadequate Safety and Security Practices	8	Monitor	8
Inadequate Supplier/Contract Management	9	Monitor	0
Ineffective Employment Practices	0		N/A
Ineffective Management of Facilities/Venues/Events	12	Urgent Attention Required	6
Misconduct	6	Monitor	6
Providing Inaccurate Advice/Information	0		N/A
Reputation			
Business and Community Disruption	12	Urgent Attention Required	12
Errors, Omissions and Delays	6	Monitor	6
External Theft and Fraud	2	Tolerated	2
Failure of IT and/or Communication Systems and Infrastructure	9	Monitor	4
Failure to Fulfil Statutory, Regulatory or Compliance Requirements	12	Urgent Attention Required	8
Inadequate Asset Sustainability Practices	9	Monitor	0
Inadequate Document Management Processes	15	Urgent Attention Required	15

Consequence Category by Risk Theme	Inherent Risk Rating #	Risk Tolerated (Inherent)	Residual Risk Rating
Inadequate Engagement Practices	9	Monitor	6
Inadequate Environmental Management	12	Urgent Attention Required	0
Inadequate Project/Change Management	9	Monitor	9
Inadequate Safety and Security Practices	6	Monitor	6
Inadequate Supplier/Contract Management	9	Monitor	0
Ineffective Employment Practices	6	Monitor	4
Ineffective Management of Facilities/Venues/Events	9	Monitor	4
Misconduct	6	Monitor	6
Providing Inaccurate Advice/Information	9	Monitor	9
Service Interruption			
Business and Community Disruption	8	Monitor	8
Errors, Omissions and Delays	6	Monitor	6
External Theft and Fraud	4	Tolerated	4
Failure of IT and/or Communication Systems and Infrastructure	12	Urgent Attention Required	6
Failure to Fulfil Statutory, Regulatory or Compliance Requirements	9	Monitor	6
Inadequate Asset Sustainability Practices	6	Monitor	0
Inadequate Document Management Processes	6	Monitor	6
Inadequate Engagement Practices	6	Monitor	4
Inadequate Environmental Management	12	Urgent Attention Required	0
Inadequate Project/Change Management	6	Monitor	6
Inadequate Safety and Security Practices	6	Monitor	6
Inadequate Supplier/Contract Management	9	Monitor	0
Ineffective Employment Practices	9	Monitor	6
Ineffective Management of Facilities/Venues/Events	6	Monitor	2
Misconduct	4	Tolerated	4
Providing Inaccurate Advice/Information	3	Tolerated	3

Risk Framework Implementation Plan

Primary Column	Status	Start Date	End Date
Leadership Commitment & Governance			
Secure executive support		01/10/24	31/10/24
Secure LT support		01/10/24	31/10/24
Framework Development			
Define roles and responsibilities		01/10/24	31/10/24
Develop a Risk Management Policy		01/05/24	18/12/24
ARMC Adoption		13/11/24	13/11/824
Council Adoption		18/12/24	18/12/24
Define risk appetite and tolerance		06/09/24	06/09/24
Create templates and tools		01/05/24	30/06/25
Risk Identification & Assessment			
Conduct initial risk workshops			
Meeting with LGIS Risk Coordinator to review the Shires Risk Register		29/02/24	29/02/24
Consultation with neighboring Councils		29/02/24	18/03/24
Internal Staff workshops		01/04/24	30/04/25
Populate a central risk register		01/11/24	30/09/25
Consolidate current register with LGIS template		29/02/24	30/04/24
Consider/Incorporate neighboring Councils risks and controls		12/03/24	30/04/24
Staff workshop to identify and classify risks		26/05/25	17/06/25
Staff workshop to identify and classify controls		16/06/25	29/07/25
Prioritize risks		29/07/25	30/07/25
Integration with Business Processes			
Identify areas requiring change/updates (LT)		01/11/24	29/07/25
Update Council Reports to reflect policy change		01/05/24	30/09/25
Embed risk management into strategic and operational planning		30/07/25	30/09/26
Embed risk management into project management		30/07/25	31/12/25
Embed risk management into procurement and contract management		30/07/25	31/12/25
Embed risk management into work health and safety		30/07/25	01/05/26
Training & Awareness			
Deliver training sessions		01/08/25	30/09/25
Promote a risk-aware culture		18/12/24	30/09/26
Monitoring & Reporting			
Establish regular reporting cycles		09/05/25	18/12/24
Use dashboards or scorecards		09/05/25	18/12/24
Schedule annual reviews (populate Governance/Compliance Calendar)		09/05/25	18/12/24
Report progress to ARMC			

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December 2027
Populate a central risk register
to identify and classify controls
uiring change/updates (LT)
Update Council Reports to reflect policy change
Embed risk management into strategic and operational planning
Embed risk management into project management
Embed risk management into procurement and contract management
Embed risk management into work health and safety
Deliver training sessions
Promote a risk-aware culture

Findings & Improvements - Reg 17-FMR

Risk Number	Purpose/Goal	Risk Issue and Failure Modes	Status Update Feb 2026	Management Comment Feb 2026
4.2.13	A policy to evidence Council's commitment to balancing the cost of legislative compliance with the extent of compliance requirements, and its importance to the organisation.	Currently, no policy on internal controls has been adopted by Council.		The ELT will review if this policy is required.
4.2.14	A policy to evidence Council's commitment to balancing the cost of legislative compliance with the extent of compliance requirements, and its importance to the organisation.	Currently, no policy on legislative compliance has been adopted by Council.		The recommendation will be reviewed by the Executive Team in conjunction with the Risk Register. However, due to competing organisational demands, this work has not yet commenced and will be scheduled and progressed as resources become available.
4.2.03	Policy to provide guidance in determining appropriate circumstances to incur legal representation costs.	The policy references circumstances where legal representation costs may be authorised prior to formal consideration by Council. There are no limitations on costs set within the policy, purchasing policy/procedures or delegations where this policy provision is activated.		The Policy is scheduled for review, amendments will be included to reference the application of relevant purchasing Policies and Procedures, Delegations and Authorisations where applicable as part of this process.
4.2.10	To set out parameters for the implementation of policies.	We noted the content of several council policies which may be operational in nature. Council policies are not necessarily intended to provide direction on how different operational functions are to be executed as these are the responsibility of the CEO. Some policies where this may occur include: - EMERG/CP-1 Fireworks Events - EMERG/CP-2 Permits for Road Verge Burning - EXE/CP-1 Commercial Lease - EXE/CP-2 Document Execution and Application of The Common Seal - FIN/CP-8 Building Insurance - HR/CP-3 Employee Recreation Centre Subsidy - WRKS/CP-4 Road Use Approval for Restricted Access Vehicles (RAVS) on Council's Road Network		A review of Council policies is currently underway and will be presented to Council for consideration, including adoption or rescindment, as scheduling and priorities permit.
4.2.12	Policy to provide guidance to the Shire's approach to managing complaints and grievances had not been adopted.	At the time of our review, a policy document setting out the processes for management of general complaints and grievances had not been adopted.		Existing Administration Policy HR/AP-4 Grievance details the grievance and complaint process for employees with respect to their employment. A Policy relating to a formal complaints and grievance process for external parties to the Shire will be considered, in consultation with Executive.
4.2.05	Policy to provide a best practice approach and procedures for purchasing. Ensure consistency for all purchasing activities that integrates with all operational areas. Requires compliance with the Local Government Act 1995 and Functions and General Regulations 1996.	The policy provides limited direction regarding contract variations and extensions awarded or against a written specification not awarded by tender. Extension of contracts and associated price changes are also not covered by the policy. For contracts awarded by tender, legislation provides minimum requirements for variations. The policy should ensure appropriate controls exist to minimise opportunities to circumvent purchasing threshold requirements through application of variations and extensions.		Report and Contract Management Framework has been issued. The Purchasing Policy has been updated and submitted for Council endorsement at the February OCM. The Standard Purchase Order T&Cs have been updated, loaded onto the Shire's website and referenced on all POs. Planning continues for the framework to be delivered in 2026.
4.2.06	Policy to provide guidance for the use, allocation, control and safe custody of corporate credit cards.	The policy provides for credit cards, but does not consider controls for other transaction cards such as fuel cards, store cards, pre-paid debit cards etc. Amendments to the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996 came into effect on 1 September 2023, requiring reporting of transactions using credit, debit and other purchasing cards.		Credit card policy to be reviewed. Purchasing card procedure now completed and approved by DFC.
4.2.06	Policy to provide guidance for the use, allocation, control and safe custody of corporate credit cards.	Where appropriate invoices / receipts to support card transactions are not available, the policy does not provide for how those purchases are to be substantiated, reported, reviewed and authorised where a valid tax invoice is not available.		Credit card policy to be reviewed. Purchasing card procedure now completed and approved by DFC.
4.2.06	Policy to provide guidance for the use, allocation, control and safe custody of corporate credit cards.	The policy does not require transaction card holders to enter into an agreement setting out conditions for the cardholder when undertaking transactions on behalf of the local government using purchasing cards.		Credit card policy to be reviewed. Purchasing card procedure now completed and approved by DFC.
5.1.03	Plan to guide the future development and delivery of ICT services.	An ICT Strategic Plan was not available for our review.		The Current State Report has been completed, advancing the ICT Strategy by providing a foundational document to inform its development.
5.1.03	Plan to guide the future development and delivery of ICT services.	An ICT Strategic Plan was not available for our review.		The Current State Report has been completed, advancing the ICT Strategy by providing a foundational document to inform its development.
5.2.35	Process to ensure stock is correctly allocated, as well as to reduce the potential for theft or misappropriation.	Stocktakes were noted to have been undertaken at some facilities for certain inventory items, however the frequency, level of independence and verification of the stocktakes performed is not considered adequate. Limited formal controls are in place to monitor potential erroneous allocations or misuse of stock.		A procedure has been documented which includes allowable variances and reporting when variances exceeds allowable limit. Procedure is with Exec for review.
5.2.06	To provide direction to staff in the delivery of day-to-day operational tasks, as well as guidance for expected processes, systems, and controls to be maintained.	Procedures are not formalised for some key operational functions throughout the Shire. Workflow process diagrams and checklists may assist to create a visual representation of a process, clearly identifying key points of control and responsibility to be evidenced and independently reviewed. Where appropriate, these may be complemented by clearly articulated, descriptive documented procedures.		Noted - to be raised with Management for consideration and implementation where appropriate and achievable within existing resourcing constraints and Risk Management Framework.

Risk Number	Purpose/Goal	Risk Issue and Failure Modes	Status Update Feb 2026	Management Comment Feb 2026
5.2.10	Systems and procedures to set out controls relating to the operations for various retirement accommodation units owned by the Shire.	Controls in relation to Preston Village Retirement Accommodation are considered inadequate. Through our limited testing, we noted the following: -Lease documentation provided for examination did not include evidence of prescribed forms being completed and supplied to residents as required by the Retirement Villages Act 1992 and associated regulations for all agreements examined; -Systems to support compliance with lease agreement requirements, such as periodic reporting, separate audited financial statements and operational matters, do not appear to be consistently maintained. -It is unclear from the documentation supplied to us for review whether 'Reserve Fund Contributions of Residents' should be held in trust, or through the current practice of reserve accounts; -The basis of the current accounting treatment and associated disclosures in relation to the resident loans and lease agreements was unable to be supported by current officers.		The recommendation to undertake a review of the Shire's Aged Residential and Retirement Accommodation services remains a priority. However, due to competing organisational demands, this work has not yet commenced and will be scheduled and progressed as resources become available.
5.2.10	Systems and procedures to set out controls relating to the operations for various retirement accommodation units owned by the Shire.	A joint venture arrangement exists between a state government agency and the Shire, setting out the responsibilities of the Shire for the Minninup Cottages and Langley Villas accommodation units. Additional compliance responsibilities exist to comply with terms of tenancy lease arrangements and associated statutory environment. Limited documented procedures are in place to ensure appropriate controls are applied in the operation this accommodation, which are considered inadequate.		The recommendation to undertake a review of the Shire's Aged Residential and Retirement Accommodation services remains a priority. However, due to competing organisational demands, this work has not yet commenced and will be scheduled and progressed as resources become available.
5.2.09	Procedures and practices to guide the operation of facilities to assist to maintain broader risk management, internal control and legislative compliance.	Staff representations for a number of service areas examined indicated resources at certain facilities may not be appropriate to sufficiently manage risks.		The Shire is progressing the implementation of its Risk Management Framework, which includes a review and update of the organisational risk register and associated controls. This process will support a more structured and proactive approach to identifying, assessing, and mitigating risks across all service areas, ensuring alignment with the Shire's strategic and operational objectives.
5.2.01	Procedures and practices to set out a uniform approach to the identification, assessment, management, reporting and monitoring of risks.	Some risk management activities currently undertaken are not formally documented and are sometimes performed independently within individual departments. These existing procedures are based on a superseded risk management framework and reporting obligations may not align with reporting and monitoring objectives.		The organisational risk management framework has been implemented; however, staff have identified resourcing constraints associated with the practical application of the framework's intensive and onerous reporting requirements. Further embedment will require review.
5.2.02	Procedures and practices to ensure the security of ICT information, systems and data.	We noted limited controls in relation to the access to IT systems, including physical access to hardware. Some levels of permissions have been established to control network access to software and data, however this is largely undocumented.		Consultants have been engaged to develop the ICT Strategic Plan, with five staff workshops completed to explore current and future ICT needs, risks, and strategic direction. The strategy is now in development and will address ICT Security.
5.2.03	The evaluation of risk in overall security policy, in general ICT and application.	No formal evaluation process of the risks associated with the overall security procedures, general ICT and application controls is in place. We also noted formal risk treatment plans do not appear to be in place in relation to risks associated with changes to the IT systems.		Consultants have been engaged to develop the ICT Strategic Plan, with five staff workshops completed to explore current and future ICT needs, risks, and strategic direction. The strategy is now in development and a list of preliminary risks have been identified for the ELT to assess and assign.
5.2.17	Procedures for the procurement of goods or services.	Through limited testing of payments, instances were noted where: •The purchase orders did not pre-date the invoice to which they were assigned; •A payment exceeded the authorised purchase order amount; •A purchase order did not include an assigned amount; •Purchase orders were not certified by both the preparer and authoriser; and •Compliance with the purchasing policy to evidence the required number of quotations being obtained or reference to any allowed exemptions, RFT process undertaken etc was not available for our review.		Work has commenced on a Procurement & Contract Management Manual. These requirements will be incorporated into the manual for training and embedding.
5.2.18	Procedures to provide probity for the assessment of procurement options received.	We did not observe documented procedures in place to require declarations of interest and confidentiality to be signed prior to assessments being undertaken for high value purchases.		Work has commenced on a Procurement & Contract Management Manual. These requirements will be incorporated into the manual for training and embedding.
5.2.31	To provide clear documentation of key contract / agreement information entered into with third parties by the Shire.	We noted a number of functions are outsourced to external parties for a variety of services, however a number of these contracts and/or agreements are expired. Current systems, procedures and contract/agreement provisions may not adequately address risks to the Shire. The absence of controls in relation to project and/or compliance management also imposes limitations to legislative compliance. Staff representations noted implementation of contractor management processes and review of outdated agreements have commenced.		Work has commenced on a Procurement & Contract Management Manual. These requirements will be incorporated into the manual for training and embedding.
5.2.36	To ensure compliance with legislative provisions for advertising of statutory public notices.	Evidence to support compliance of public notices (including statewide and local public notices) being published as required by legislation was not available for all samples selected for testing. While some methods of advertising for public notices include local government notice boards etc, systems should be in place to support and evidence compliance with legislation.		1.Development of an Administration Policy to clearly outline the Shire's preferred methods to address and meet legislative requirements 2.Development of an internal public notice register (separate from other publications) to capture all outgoing public notices in line with these requirements 3.Development of an Operational Procedure with step-by-step instructions for the preparation, publication and recording of public notices
5.2.29	To demonstrate compliance of record keeping systems and practices with legislative requirements.	Based on our enquiries with staff, electronic records are stored in various locations such as shared drives, rather than the Shire's electronic document and records management system (EDRMS). Where compliance with required record keeping controls is low, this may increase risks where information may become compromised where deletions, loss and compromised security or confidentiality of records may occur.		The go live date for the implementation of Monarch has been decided for 25/02/26
5.2.29	To demonstrate compliance of record keeping systems and practices with legislative requirements.	Control procedures within the EDRMS relating to record preservation and disposal of records are considered inadequate. Current controls are heavily reliant on staff awareness of limitations within the EDRMS generated disposal dates, and application of manual system override and review to manage compliance.		The go live date for the implementation of Monarch has been decided for 25/02/26

Risk Number	Purpose/Goal	Risk Issue and Failure Modes	Status Update Feb 2026	Management Comment Feb 2026
5.2.30	Procedures and practices to ensure the appropriate maintenance and recording keeping of physical and digital records.	Based on our enquiries with staff, regular refresher training for the use of the records system is not currently in place to support and direct staff and contractors to the appropriate procedures to save records in accordance with the Shire's record keeping plans and policies. This may increase risks associated with compliance with required record keeping controls. Where compliance with required controls is low, information may become compromised in that deletions, loss and compromised security or confidentiality of records may occur.		This issue will be addressed through the implementation of the new Electronic Document and Records Management System (EDRMS). As part of the rollout, modern training resources—including video tutorials—will be developed and made available to staff and Councilors. Ongoing training requirements will also be formally incorporated into the Shire's Recordkeeping Plan to ensure consistent understanding and application of appropriate procedures across the organisation.
5.2.13	Systems and processes to ensure controls are maintained around petty cash.	We did not observe any formal procedures relating to petty cash systems and controls. Controls are not routinely documented to ensure appropriate review and authorisation processes occur in relation to the storage, management and handling of cash by staff.		Discussions have been done with sites that currently have petty cash. Alternative options have been suggested and petty cash will no longer be required.
5.2.13	Systems and processes to ensure controls are maintained around petty cash.	Based on staff representations, routine reconciliation of petty cash is not performed and there is no required validation of balances performed by an independent and more senior officer.		Monthly review of petty cash reconciliation added to end of month checklist for all sites.
5.3.01	Procedures to ensure appointment of staff are appropriately authorised, and onboarding processes are consistently and routinely applied.	Staff inductions do not appear to be consistently applied throughout the shire, and induction processes do not consistently communicate to staff required expectations and requirements when performing local government functions.		A induction passport has been developed for the outside workforce. The review of the internal process still remains a priority. However, due to competing organisational priorities, this work will be scheduled and progressed as resources allow. Work has commenced on a Induction assigning induction tasks.
5.3.04	Framework to provide effective communication between an employee and employer to measure performance, identify training needs and improve effectiveness and efficiency in the workplace.	Whilst performance reviews for employees appear to be routinely performed as required by legislation, we noted some weaknesses in processes where there are limited connections to the objectives and purposes of performing reviews. Processes do not currently provide a rating scale to identify opportunities for improvements, and systems do not currently provide for routine follow up or monitoring where performance matters are identified through the review process.		The review of the internal process still remains a priority. However, due to competing organisational priorities, this work will be scheduled and progressed as resources allow.
5.4.01	Insurance cover maintained by contractors for damage caused when undertaking works for the Shire.	Contractors' insurances are not always assessed prior to award of contracts in all cases. Reliance is placed on contract managers to ensure copies of insurances are provided.		Work has commenced on a Procurement & Contract Management Manual. These requirements will be incorporated into the manual for training and embedding.
6.1.02	Monitoring and consideration of risks when making strategic decisions.	Identified risks are not consistently included within agenda items for council member consideration. We noted some updates to reporting has been occurring, however it is unclear how this aligns to the current adopted risk management policy.		The organisational risk management framework has been implemented; however, staff have identified resourcing constraints associated with the practical application of the framework's intensive and onerous reporting requirements. Further embedment will require review.
6.1.01	Official record of proceedings and decisions.	In our limited testing and review of minutes of Council meetings, we noted the following: •Confirmation of minutes of some special meetings were not considered at the next ordinary meeting of Council as required by legislation; •Various declarations in relation to items being considered by Council, however these declarations do not always record whether the person making the declaration remained at the meeting or detail of any permission to remain at the meeting; •Several instances where no reference was included recording how many members of the public, or which employees departed, remained or returned to the Chamber during the discussion of the confidential items; •Attachments (i.e. monthly statement of financial activity, accounts paid list etc) are not published in the minutes on the official local government website to support the decisions made, including where the decision refers to the officer report or an attachment; •Although the meeting was not closed to the public, we noted some attachments which were noted to be confidential attachments and therefore not included in the minutes; •An instance where a relevant person did not declare an interest in relation to a report presented to Council where it appears a disclosure should have occurred. •A number of Council decisions which were confidential in nature and held behind closed doors, which were not recorded in the minutes. Regulation 11 (d) of the Local Government (Administration) Regulations 1996 requires details of each decision made at Council and committee meetings to be recorded in the minutes; •An instance where there were inconsistent agenda report titles in the public minutes and the confidential meeting minutes published; •Minutes of the meeting held 22 March 2023 were not published on the website; and •Some minute certification pages contained incorrect dates and other information where minutes were confirmed.		The adoption of supporting software tools is recommended to enhance compliance in these areas. A proposal for Minutes and Agenda software will be incorporated into the ICT Roadmap and Strategy timeline as outlined by staff.
6.1.01	Official record of proceedings and decisions.	We noted instances where tenders were considered by Council as confidential business behind closed doors. Where these decisions were recorded in the minutes, there was not always sufficient detail included within the decision to support the amount awarded by the decision.		Formal procedures will be developed to ensure consistent compliance as part of the Contract Management Review.
6.2.05	Provide a record of contracts entered into by the Shire.	While contracts are generally managed through the record keeping system, a formal contract register has not yet been established to provide consistent information detailing the status of all contracts held by the Shire.		Along with the updates to the EDRMS, this will be address as part of the Contract Management review being undertaken in house.
6.2.01	Provide a record of risk breaches and remedial action taken.	A current risk register to reflect identified risks, and if they have been adequately treated was not available for our review. Staff representations indicated further development of risk management activities is to be undertaken to guide risk register maintenance, monitoring and reporting.		The organisational risk management framework has been implemented; however, staff have identified resourcing constraints associated with the practical application of the framework's intensive and onerous reporting requirements. Further embedment will require review.
6.2.06	Register to maintain listing of portable / desirable assets as required by Local Government (Financial Management) Regulations 1996.	A listing of portable and attractive items is kept as required by the Local Government (Financial Management) Regulations 1996 has not been developed., however we noted some items within the register which could not be identified or located when requested.		Procedure has been created to ensure the register is maintained and a review to be conducted annually to ensure all items are captured. A review is yet to be completed.

Internal Audit Findings

Internal Audit Area	Ref	Issue	Risk Rating	Auditors Comments	Implication/Risk	Auditors Recommendation	Responsible Officer	Responsible Executive	Status Update Feb'26	Update February 26
				Unresolved Findings						
Security and Emergency Procedures	**2.3.4.**	**Security Policy**	Moderate	During our review, we identified that the Shire does not have any formal policies surrounding Security.	Security threats that arise may go unnoticed or untreated. Furthermore, employees and other key stakeholders may not know the correct response or lines of communication in relation to security threats.	A security policy is introduced by the Shire, covering at a minimum; physical; information and cyber security.	Loren Clifford	Loren Clifford		A Security policy is being drafted, noting the new Privacy and Responsible Information Sharing (PRIS) requirements. Staff Cyber training - Internal Email Phishing Campaigns has commenced.
Security and Emergency Procedures	**2.3.6**	**Remote Access**	Moderate	From discussions with management, it was noted that the "Working from Home Self-Assessment Survey" and "Remote Working Agreement" have not been systematically utilised.	The "Working from Home Self-Assessment Survey" aids the Shire in complying with Occupational Safety and Health Standards, while the "Remote Working Agreement" is a record of the employee confirming their understanding of the requirements while working from home, therefore where these documents are not completed, the Shire is open to unnecessary risks.	•A review is undertaken of current employees who work from home, to ensure documentation is on file or is completed where appropriate. •All future employees who work from home, should complete the documentation as specified in the Shire's working remotely procedure. •The Shire maintain a listing of assets (which may include IT equipment and other items of equipment) which staff have temporary removed from the Shire premises to utilise working from home.	Loren Clifford	Loren Clifford		An Admin Policy has been drafted for ELT review.
				Resolved Findings						