Audit, Risk and Improvement Committee Meeting (26 August 2026)

ATTACHMENTS

Number	Title
7.1(1)	Audit and Risk Management Committee Meeting held on 24 June 2026
8.1.1(1)	Annual Audit Findings August 2026 status
8.1.1(2)	Outstanding FMR/Reg17 Findings
8.1.2(1)	Compliance Audit Report 2025 Summary of Responses
8.1.3(1)	Risk Register - Strategic Updated 18-08-2026
8.1.3(2)	Strategic Risk Treatment Plan - Updated 18 August 2026

Shire of
Donnybrook Balingup

Minutes of the Audit, Risk and Improvement Committee Meeting

Held on 24 June 2026 and commenced at 3:00pm
at the Council Chambers in Donnybrook
(1 Bentley Street, Donnybrook)

Authorised:

Mr Nick O'Connor, Chief Executive Officer

Prepared: 26 June 2026

Contents

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 3:01pm and welcomed the public gallery.

2. Attendance

Members Present:

Cr Vivienne MacCarthy	Mr Phillip Anastasakis, Presiding Member (Independent)
Cr Tyler Hall	Mr Alan Lamb, Deputy of the Presiding Member (Independent, Optional Online attendance)

Staff Present:

Nick O'Connor, Chief Executive Officer	Colin Young, Director Finance and Community
Meta Hazeldine, Manager Financial Services	Loren Clifford, Executive Manager Corporate
Samantha Farquhar, Administration Officer Corporate Services	

Other Members Present:

Public Gallery: 0 members of the public in attendance.

2.1. Apologies

Ross Marshall, Director Operations

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

Nil.

7. Confirmation of Minutes

7.1. Audit and Risk Management Committee Meeting held on 5 March 2026

Minutes of the Audit and Risk Management Committee Meeting held 5 March 2026 are attached as Attachment 7.1(1). At the Ordinary Council Meeting held on 25 March 2026, Council resolved to receive the minutes and adopt the recommendations as detailed in the 5 March 2026 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.

EXECUTIVE RECOMMENDATION

That the Minutes from the Audit and Risk Management Committee Meeting held 5 March 2026 be received.

COMMITTEE RESOLUTION:	ARI 09/06-26		
MOVED BY:	Cr Vivienne MacCarthy	**SECONDED BY:**	Cr Tyler Hall

That the Minutes from the Audit and Risk Management Committee Meeting held 5 March 2026 be received.

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

8. Reports of Officers
8.1. Chief Executive Officer

8.1.1 Audit Findings Progress

Report Details:

Prepared by: Executive Manager Corporate

Manager: Chief Executive Officer

File Reference: MONARCH-540448882-19 **Voting Requirement:** Simple Majority

Attachment(s):

8.1.1(1) FMR/Reg 17 -Findings & Improvements Register
8.1.1(2) Internal Audit Findings

Executive Recommendation

That the Audit, Risk and Improvement Committee notes the update provided on Audit Findings as outlined in Attachments 8.1.1(1) and 8.1.1(2).

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, Risk and Improvement Committee (ARIC) notes the latest update provided on the Audit Findings outlined in this report and Attachment 8.1.1(1) and Attachment 8.1.1(2).

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 102 findings.

A total of 102 audit actions were identified across the Regulation 17 and FMR reviews. Progress to date demonstrates that the majority of foundational governance, financial management, and compliance actions have been completed or substantially embedded.

- Completed: 86 actions
- Substantially progressed (¾): 11 actions
- Partially progressed (½): 4 actions
- Early stage (¼): 1 action
- Not yet commenced: 0 actions

Key Progress Since February 2026

Governance, Policy and Compliance Framework
Significant progress has been made in strengthening the Shire's governance framework. A number of key policies have been reviewed, adopted, or updated, including the Complaints Policy, Information Security, Working from Home and Purchasing Policy, while a structured, risk-based policy review program is now embedded.

Risk Management and Internal Controls
The Risk Management Framework has been implemented and is informing operational decision-making; however, practical application remains constrained by resourcing and reporting complexity. Controls relating to conflicts of interest, risk reporting, and facility operations have been strengthened, with ongoing refinement required to embed consistent practices and align service levels with risk exposure.

Financial Management and Procurement
Substantial improvements have been delivered in procurement, financial controls, and reporting. A revised Purchasing Policy has been adopted, supported by a Draft Procurement and Contract Management Manual now in use. Monthly management reporting has been introduced, stock control procedures implemented, and overhead allocation methodologies reviewed to ensure compliance with accounting standards.

ICT Governance and Cyber Security
Material progress has been made in ICT governance, with a draft ICT Strategy developed and scheduled for Council consideration. This includes formalisation of ICT risk management, security controls, and change management processes, addressing previously identified gaps and establishing a structured roadmap for ongoing improvement.

Records Management and Information Governance
The implementation of the Monarch EDRMS represents a major uplift in record keeping practices, with system rollout, training, and governance controls improving compliance and reducing risks associated with fragmented record storage and management.

Operational Procedures and Service Delivery

Progress has been made in formalising operational procedures, with business units developing procedures and controls using a risk- and resource-based approach. Improvements have been made in key areas including revenue controls, cash handling, and facility operations; however, ongoing work is required to ensure consistency across all service areas.

Asset and Facility Operations / Workforce Alignment

A review of the Workforce Plan has confirmed that resources support core service delivery; however, staff feedback has identified some gaps in resourcing at certain facilities. The Shire is responding by applying a risk-based approach to service levels and continuing to refine resource allocation in line with risk exposure and operational requirements.

Human Resources and Workforce Capability

Enhancements have been made to workforce management practices, including implementation of a training matrix, revised performance review processes, and improvements to onboarding and offboarding controls. Some initiatives, including induction standardisation, remain in progress due to competing priorities.

Actions Still in Progress or Outstanding

Governance and Policy Framework

Policy review and governance improvements remain in progress, with a structured, risk-based program ongoing. While priority policies have been updated, further reviews, including specific operational and compliance policies, are still being scheduled and finalised. In some cases, management has determined that risks are being managed through existing frameworks rather than standalone policies, resulting in actions remaining open pending further review or confirmation of approach.

ICT Governance and Strategic Planning

ICT-related actions remain a key outstanding area. A draft ICT Strategy has been developed; however, formal adoption and full implementation of supporting elements such as the ICT Risk Register, security controls and governance structures are still underway. These actions are being progressed as a coordinated, staged reform program.

Risk Management and Internal Controls

The Risk Management Framework has been implemented; however, full organisational embedment, consistent application and reporting remain incomplete. Further refinement is required to ensure the framework is practically applied across all business areas and supported by appropriate resourcing and systems.

Operational Procedures and Controls
The development of formal procedures, workflows and internal controls is ongoing. Business units are progressively documenting processes, with work prioritised based on risk and operational criticality. Full coverage of procedures across the organisation has not yet been achieved.

Procurement and Contract Management
Procurement and contract management controls are partially implemented. While a Procurement and Contract Management Manual has been developed, full implementation, training and integration into practice remains ongoing, along with broader improvements to contract governance and oversight.

Compliance, Reporting and Legislative Processes
Some compliance-related processes, including public notice management and risk reporting to Council, are still being strengthened. While initial controls such as registers have been introduced, supporting procedures and system improvements are required to ensure consistent compliance and reporting accuracy.

Records Management and EDRMS
Records management improvements are in progress through the rollout of the Monarch EDRMS. While the system has been implemented, full organisational adoption, supporting procedures, and consistent staff training are ongoing to ensure compliance with recordkeeping requirements.

Registers and Control Frameworks
Key governance registers (including contracts, risk and asset registers) remain incomplete or under development. These are being progressed alongside system improvements and broader governance reforms but are not yet fully established or consistently maintained.

Workforce and Organisational Capability
Human resource-related actions, including induction processes, training frameworks and workforce capability improvements, are partially complete. Further work is required to ensure consistency across the organisation and alignment with governance and compliance requirements.

Complex Operational Reviews
More complex and resource-intensive reviews, including aged accommodation operations and broader service-level governance reviews, have commenced and will be progressed as capacity allows.

Significant progress has been made in addressing the Regulation 17 and FMR audit findings, particularly in foundational governance, financial controls, and compliance systems. Remaining actions are predominantly higher-complexity, multi-year reforms that are being progressed in a staged and risk-based manner. No critical or systemic control failures remain unaddressed, with residual risks identified and actively managed.

COMMITTEE RESOLUTION:	ARI 10/06-26		
MOVED BY:	Cr Tyler Hall	**SECONDED BY:**	Cr Vivienne MacCarthy

That the Audit, Risk and Improvement Committee notes the update provided on Audit Findings as outlined in Attachments 8.1.1(1) and 8.1.1(2).

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

8.1.2 Interim Audit for the Year Ending 30 June 2026

Report Details:

Prepared by: Manager Financial Services

Manager: Director Finance and Community

File Reference: MONARCH-1416558643-238 **Voting Requirement:** Simple Majority

Attachment(s):

8.1.2(1) Interim Audit Management Letter - Confidential

Executive Recommendation

That the Audit, Risk and Improvement Committee recommends to Council to:

1. **Receive the Interim Audit Management Letter and Findings Report for the year ending 30 June 2026 in** Attachments 8.1.2(1)**; and**
2. **Note the Management Comments provided, stating the actions the Chief Executive Officer intends to take with respect to the six matters identified in the attachment to the Interim Audit Management Letter.**

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.

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

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

Item: Nil.

Executive Summary

The Office of the Auditor General (OAG) provided the Interim Audit results for the year ending 30 June 2026. The scope of the audit was to express an opinion on whether the Shire's general purpose financial report:

- is based on proper accounts and records;
- presents fairly, in all material respects, the results of Shire's operations for the year ended 30 June 2026 and its financial position as at that date; and
- complies with the *Local Government Act 1995* and, where not inconsistent with the Act, the Australian Accounting Standards.

The Audit and Risk Management Committee has been asked to receive the Interim Audit Management Letter and Report on Findings.

Background

AMD Charted Accountants were appointed on behalf of the OAG to conduct the annual Interim Audit, for the year ending 30 June 2026.

Risk Management

Risk:	Likelihood:	Consequence:	Risk Rating:
Compliance	Unlikely	Minor	Low (4)
Risk Description:	The Chief Executive Officer's does not meet statutory obligations in relation to financial management practices		
Mitigation:	Present the Interim Audit Management Letter and attached Findings Report to the ARIC.		

Financial Implications

Nil.

Policy Compliance

Nil.

Statutory Compliance

Local Government Act 1995

The Interim Audit forms part of the Annual Audit process required under Section 7.2 of the Act, which requires the audit of the accounts and annual financial report.

Local Government (Financial Management) Regulations 1996

Regulation 5(1) outlines the Chief Executive Officer's responsibilities in relation to financial management practices.

Consultation

An entrance meeting was held on 4 of May 2026 between representatives of the Audit and Risk Management Committee, Shire staff, AMD, and the Office of the Auditor General to review the Audit Planning Summary in preparation for the audit of the financial year ending 30 June 2026.

Officer Comment

The interim audit identified six key areas requiring attention. While some findings relate to broader governance and compliance, others touch on operational, and ICT matters that are being addressed through structured planning and implementation. Detailed responses and timelines are provided in the confidential attachment.

1. Lack of IT Policies, Strategic Plan, IT Risk Register
   This issue has been raised in both 2024 and 2025. While the Shire is working towards establishing an IT governance framework, the following key components were not formally in place at the time of the interim audit.

- No documented or approved IT Strategy.
- Formal IT policies and procedures (including General IT, Cyber Security, and Change Management) have not yet been implemented.
- An IT Risk Register exists in draft form but has not been approved by Council.
- Staff have not completed structured cyber security awareness training.

Management acknowledges the finding and notes significant progress in strengthening the ICT governance framework since the previous audit. A draft ICT Strategy has been developed and will be workshopped with Council ahead of planned adoption in July 2026, providing a roadmap for governance, cyber security, and service improvements.

Key ICT policies have been developed and are ready for implementation, with further supporting policies to be formalised as needed. The ICT Risk Register and change management processes will be progressed alongside the Strategy to ensure an integrated approach.

Cyber security awareness training has now been delivered across the organisation, addressing a key prior control gap.

A staged, resource-conscious implementation approach is being adopted, with a focus on embedding sustainable practices.

2. User Access Exceptions
   Upon review of the Synergy user access listing, it was identified that access remained active for former employees. Although their network access had been disabled (a prerequisite for Synergy access), their system profiles had not been deactivated. Management has since conducted a review to identify inactive and offboarded users for removal, updated offboarding procedures to include timely deactivation of Synergy access and implemented a six-monthly review process to support ongoing monitoring.

3. Payroll Exceptions
   Sample testing identified overtime for outdoor staff timesheets was not clearly authorised by line managers, with hours instead calculated by payroll. Additionally, a sampled termination payment did not undergo an independent review, having only been approved through the standard pay run process. Management will reinforce the requirement for line manager authorisation of all overtime and implement an independent review process for termination payments.

4. Policy Updates
   Auditors noted policies that are past their due dates. Management acknowledges these and notes significant progress in updating the Shire's policy framework. Several overdue policies have been reviewed and updated, with a broader program continuing a risk-based, prioritised basis. Policies are being presented to Council in a staged manner to support effective oversight and enable thorough, informed review, rather than submitting all outstanding policies at once.

5. Payments Exceptions

Auditors identified two instances where a purchase order was raised after the date of the invoice. Management will remind staff regarding procurement requirements and continue monitoring and compliance.

6. Non-compliance with the *Local Government Act 1995* (WA) s5.75 and s5.76
   Auditors noted two findings of a primary and annual return not submitted by the due dates as per the Local Government Act 1995. Management has reinforced the importance of timely return submissions and arranged mandatory training to support compliance with requirements

COMMITTEE RESOLUTION:	ARI 11/06-26		
MOVED BY:	Cr Vivienne MacCarthy	**SECONDED BY:**	Cr Tyler Hall

That the Audit, Risk and Improvement Committee recommends to Council to:

1. **Receive the Interim Audit Management Letter and Findings Report for the year ending 30 June 2026 in** Attachments 8.1.2(1)**; and**
2. **Note the Management Comments provided, stating the actions the Chief Executive Officer intends to take with respect to the six matters identified in the attachment to the Interim Audit Management Letter.**

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

8.1.3 ICT Strategy and Strategic Roadmap

Report Details:

Prepared by: Executive Manager Corporate

Manager: Chief Executive Officer

File Reference: MONARCH-1278560804-93 **Voting Requirement:** Simple Majority

Attachment(s):

8.1.3(1) ICT Strategy

Executive Recommendation

That the Audit, Risk and Improvement Committee:

1. **Notes the ICT Strategy and Strategic Roadmap prepared by Tango IT; and**
2. **Recommends that Council:**
   - **2.1. Acknowledge the significant financial, resourcing and organisational implications associated with implementation of the Strategy;**
   - **2.2. Request confirmation of alignment with the Long Term Financial Plan prior to committing to major initiatives, including the ERP replacement project;**
   - **2.3. Adopt a staged and prioritised implementation approach, focusing initially on governance, cyber security and risk management improvements;**
   - **2.4. Request further detail regarding delivery capability, including internal resourcing requirements and reliance on external providers; and**
   - **2.5. Require regular reporting to the Audit, Risk and Improvement Committee on implementation progress, risks and financial impacts.**

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:	12.1.3 - Review Shire IT, including business and customer service software (such as intramaps).

Executive Summary

The ICT Strategy prepared by Tango IT provides a comprehensive roadmap to modernise the Shire's technology environment and address critical risks, including system obsolescence, lack of governance, and cyber security vulnerabilities.

The Strategy identifies that the Shire's current ICT environment is fragmented, lacks formal oversight, and is reliant on an end-of-life core system, with inconsistent cyber security controls and limited internal ICT capability.

To address these issues, the Strategy proposes a multi-year transformation program over approximately four years, including replacement of the core ERP system, implementation of an ICT governance framework, and delivery of supporting technology systems and digital services.

The proposed roadmap represents a significant organisational transformation program, with estimated investment in the order of $1.4 million to $2.43 million, in addition to ongoing operational costs.

Given the scale of the proposed program, this report focuses on the governance, risk, financial and implementation considerations for the Audit, Risk and Improvement Committee.

Background

An initial budget allocation had been identified for an internal audit to be undertaken within the same year as both the Financial Management Review (FMR) and the Regulation 17 review. Given the overlap in scope between these review processes, and the presence of outstanding audit findings requiring action—specifically the need to develop a formal ICT strategy and supporting policy framework—it was determined that the proposed internal audit would provide limited additional value at that time.

At the same time, it was recognised that the Shire's ICT environment had evolved without a coordinated or strategic approach, resulting in an ad hoc and unplanned operating model that is not well aligned to the rapidly changing technology landscape.

Accordingly, a decision was made to redirect the allocated funds towards addressing the underlying audit findings through the development of a formal ICT Strategy and governance framework.

Tango IT was engaged to undertake this work, with the scope of the engagement to:

- Provide a comprehensive current state assessment of the Shire's ICT environment;
- Develop a clearly defined future state vision aligned to the Shire's ICT objectives; and
- Deliver a structured implementation roadmap outlining how the Shire can transition from its current environment to the desired future state.

The ICT Strategy was developed to respond to long-standing challenges within the Shire's technology environment, including:

- A fragmented ICT environment with limited integration
- An end-of-life core financial system (SynergySoft)
- Limited ICT governance and decentralised decision-making
- Reliance on manual processes and duplicated data
- Limited internal ICT capability and reliance on a Managed Service Provider (MSP)

The Strategy proposes a transition to a modern, integrated, cloud-based ICT environment supported by formal governance frameworks, improved cyber security controls, and enhanced digital services for the community.

Implementation is proposed over four phases, commencing with governance establishment and ERP procurement, followed by system implementation, consolidation, and review.

Risk Management

Risk:	Likelihood:	Consequence:	Risk Rating:
Financial Impact	Likely	Catastrophic	Extreme (20)
Risk Description:	ICT strategy costs are not aligned to the LTFP, resulting in unplanned financial pressure.		
Mitigation:	Align LTFP, stage investment, require business cases prior to commitment		
Risk:	Likelihood:	Consequence:	Risk Rating:
Financial Impact	Possible	Major	High (12)
Risk Description:	ICT program costs exceed estimates due to scope creep or delays.		
Mitigation:	Implement project governance framework, staged procurement, contingency planning.		
Risk:	Likelihood:	Consequence:	Risk Rating:
Compliance	Possible	Major	High (12)
Risk Description:	Major ICT investment is undertaken prior to establishment of governance frameworks		
Mitigation:	Prioritise ICT governance framework in Phase 1 before major procurement.		
Risk:	Likelihood:	Consequence:	Risk Rating:
Compliance	Possible	Major	High (12)
Risk Description:	Inadequate oversight and reporting of ICT program results in poor decision-making		
Mitigation:	Establish ARIC reporting, project governance, and defined decision-making structures		
Risk:	Likelihood:	Consequence:	Risk Rating:
Service Interruption	Possible	Catastrophic	High (15)
Risk Description:	Failure of end-of-life ERP system results in disruption to critical business systems and Council service delivery (finance, rates, payroll and customer services).		
Mitigation:	Prioritise ERP replacement, implement interim support and monitoring controls, maintain backups and disaster recovery capability.		
Risk:	Likelihood:	Consequence:	Risk Rating:
Service Interruption	Likely	Major	High (16)
Risk Description:	Limited internal ICT capability impacts ability to deliver the roadmap.		
Mitigation:	Secure project resources, define roles, supplement with external expertise.		
Risk:	Likelihood:	Consequence:	Risk Rating:
Compliance	Possible	Major	High (12)
Risk Description:	Failure to implement ICT governance and systems results in non-compliance with PRIS and State Records obligations.		
Mitigation:	Implement data governance, records management, and privacy controls early.		

Risk:	Likelihood:	Consequence:	Risk Rating:
Service Interruption	Likely	Moderate	High (12)
Risk Description:	Overlapping ICT initiatives result in change fatigue and reduced delivery success.		
Mitigation:	Stage implementation, prioritise high-risk initiatives, apply change management.		
Risk:	Likelihood:	Consequence:	Risk Rating:
Compliance	Possible	Moderate	Moderate (9)
Risk Description:	ICT procurement and implementation not aligned with legislation or policy		
Mitigation:	Update procurement policy, apply governance controls and compliance checks.		
Risk:	Likelihood:	Consequence:	Risk Rating:
Compliance	Possible	Catastrophic	High (15)
Risk Description:	Existing ICT environment exposes the Shire to cyber security risks prior to full implementation.		
Mitigation:	Continue uplift of cyber controls (EDR, MFA, monitoring, backups) and prioritise Essential Eight.		
Risk:	Likelihood:	Consequence:	Risk Rating:
Service Interruption	Possible	Major	High (12)
Risk Description:	Failure or delay in ERP implementation impacts multiple dependent projects.		
Mitigation:	Strong project governance, staged implementation and risk-managed delivery approach.		
Risk:	Likelihood:	Consequence:	Risk Rating:
Service Interruption	Possible	Major	High (12)
Risk Description:	Data loss, corruption or poor data quality during ICT transition.		
Mitigation:	Data migration planning, backup/restore processes, governance controls.		
Risk:	Likelihood:	Consequence:	Risk Rating:
Reputational	Possible	Major	High (12)
Risk Description:	Failure of ICT transformation results in service disruption and reduced community confidence.		
Mitigation:	Stage delivery, maintain service continuity, communicate changes clearly		

Financial Implications

The ICT Strategy presents significant financial implications for Council, including:

Capital Investment

1. Estimated program investment:
    a. $1.4M – $2.43M (indicative)
2. ERP replacement alone:

a. $1.345M – $2.31M

Ongoing Operational Costs

1. Estimated annual ERP costs:
    a. $60,000 – $230,000 per annum

Additional Financial Considerations

1. Internal staff resourcing and backfill
2. Consultant and specialist support costs
3. Potential cost escalation if timelines extend
4. Increased MSP costs where service scope expands

At the time of reporting, the financial implications associated with the ICT Strategy are not reflected in the Shire's Long Term Financial Plan, as the Strategy was received following Council's endorsement of the 2026–2027 annual review of the Plan. This represents a governance and financial risk, as Council cannot reasonably commit to the proposed ICT program without a clearly aligned and funded financial framework.

Alignment of the Long-Term Financial Plan is therefore required as a matter of priority to ensure informed decision-making, financial sustainability, and appropriate oversight of the proposed investment.

Policy Compliance

Based on the Strategy and proposed initiatives, the following Shire policies/procedures are likely to require review, development or alignment:

- ICT Governance Policy - new
- Cyber Security Policy - new
- Records Management Policy - Update
- Procurement Policy (ICT procurement provisions) – amendment to current policy
- Privacy Policy (including PRIS requirements) - new
- ICT Asset Management Policy – Pending Approval
- Business Continuity and Disaster Recovery Plans - Updates

The Strategy identifies that many of these policy frameworks are either not in place or require further development.

Statutory Compliance

There are no direct statutory requirements under the *Local Government Act 1995* mandating adoption of an ICT Strategy. However, Council must ensure that:

- Appropriate systems and procedures are in place for financial management, risk management and internal control,
- Compliance with the *Local Government (Audit) Regulations 1996* – Regulation 17 (review of systems and procedures) is maintained, and

- Risks associated with information systems, including cyber security, are appropriately managed.

Privacy and Responsible Information Sharing Act 2024 (WA)
Requires local governments to manage personal information in accordance with defined privacy principles, including lawful collection, secure storage, controlled use and disclosure, and responsible information sharing, as well as mandatory reporting of serious data breaches.

State Records Act 2000 (WA)
Requires local governments to create, capture and maintain State records as evidence of business activities, implement an approved Recordkeeping Plan, and ensure records are securely stored, retained and disposed of in accordance with authorised standards.

The ICT Strategy directly addresses these legislative requirements by establishing appropriate governance frameworks, systems and controls to support compliance with privacy, information management, and recordkeeping obligations.

Consultation

Internal Consultation
The Strategy has been developed with input from:

- Executive Leadership Team,
- All business units, and
- The Shire's Managed Service Provider (MSP).

The ICT Strategy includes stakeholder engagement documentation and current state analysis.

Tango IT will be presenting the ICT strategy to the Council Workshop 1 July 2026.

External / Community Consultation
No direct community consultation has been undertaken in relation to the ICT Strategy.
However, the Strategy identifies improved digital services and customer experience as key outcomes, indicating an anticipated benefit to the community.

Officer Comment

The ICT Strategy prepared by Tango IT provides a comprehensive and structured roadmap to address historical gaps in the Shire's ICT environment, including system obsolescence, limited governance and fragmented systems.

It is acknowledged, however, that since the completion of the current state assessment underpinning the Strategy, the Shire has already made material progress in reducing its cyber security risk exposure, particularly in strengthening core technical controls.

The improvements (as outlined in confidential report *9.1.1 Cyber Security Review & Management Action Plan* at the ARMC meeting 5 March 2026) demonstrate that the Shire has already commenced

addressing a number of the risks identified in the Strategy, particularly in relation to cyber security and operational resilience and is on track to meet the level 1, Essential Eight requirements by December 2026.

Notwithstanding this progress, the Strategy identifies broader structural issues, including the absence of a formal ICT governance framework, limited internal capability, and reliance on legacy systems and manual processes, which remain relevant and require strategic consideration.

It is important for the Committee to recognise that while early risk reduction measures have been implemented, the Strategy represents a significant transformation program beyond cyber uplift alone, encompassing governance reform, system replacement and organisational change.

Accordingly, the Strategy should be considered not as a discrete project, but as a multi-year program of work requiring careful staging, prioritisation and alignment with the Shire's financial and organisational capacity.

COMMITTEE RESOLUTION:	ARI 12/06-26		
MOVED BY:	Cr Tyler Hall	**SECONDED BY:**	Cr Vivienne MacCarthy

That the Audit, Risk and Improvement Committee:

1. **Notes the ICT Strategy and Strategic Roadmap prepared by Tango IT; and**
2. **Recommends that Council:**
   - **2.1. Acknowledge the significant financial, resourcing and organisational implications associated with implementation of the Strategy;**
   - **2.2. Request confirmation of alignment with the Long Term Financial Plan prior to committing to major initiatives, including the ERP replacement project;**
   - **2.3. Adopt a staged and prioritised implementation approach, focusing initially on governance, cyber security and risk management improvements;**
   - **2.4. Request further detail regarding delivery capability, including internal resourcing requirements and reliance on external providers; and**
   - **2.5. Require regular reporting to the Audit, Risk and Improvement Committee on implementation progress, risks and financial impacts.**

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

8.1.4 Office of the Auditor General – Report 11: Local Government Management of Gifts and Benefits

Report Details:

Prepared by: Executive Manager Corporate

Manager: Chief Executive Officer

File Reference: MONARCH-1936912049-22 **Voting Requirement:** Simple Majority

Attachment(s):

8.1.4(1) Report 11: Local Government Management of Gifts and Benefits

Executive Recommendation

That the Audit, Risk and Improvement Committee:

1. **Notes the Office of the Auditor General's Report 11: *Local Government Management of Gifts and Benefits* (March 2026) and the associated sector-wide findings;**
2. **Notes the Shire's current practices, policies and procedures relating to gifts and benefits, including EXE/CP-5 Attendance at Events and Functions, the Code of Conduct for Employees, Contractors and Volunteers, and the Code of Conduct for Council Members, Committee Members and Candidates.**
3. **Notes the proposed process improvement improvements to embed gifts and benefits disclosures within Council reporting and procurement processes; and**
4. **Recommends that Council support the implementation of the proposed control improvements to strengthen the integration of gifts and benefits disclosures into Council decision-making and procurement processes, consistent with better practice identified by the OAG.**

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: 12.1.3 - Review Shire IT, including business and customer service software (such as intramaps).

Executive Summary

The Audit, Risk and Improvement Committee is requested to consider the outcomes of the Office of the Auditor General's (OAG) Report 11: *Local Government Management of Gifts and Benefits* and the implications for the Shire's governance framework.

The OAG report identified that while local governments generally demonstrate transparency in recording gifts and benefits, there are significant weaknesses across the sector in managing conflicts of interest arising from accepted gifts. This report outlines the Shire's current practices, notes alignment with existing policy and legislative requirements, and identifies a targeted improvement to strengthen governance controls.

Background

The OAG undertook a performance audit examining whether local governments effectively manage gifts and benefits, including compliance with legislative requirements and internal controls.

The audit concluded that:

- most local governments maintain gift registers and demonstrate transparency; however
- conflicts of interest arising from accepted gifts are not consistently identified or managed, creating risks to impartial decision-making.

Across audited entities, the OAG identified instances where individuals who had accepted gifts from suppliers subsequently participated in procurement or contract management decisions involving those suppliers, without appropriate conflict management.

The report also identified that stronger controls, clearer policies, and improved oversight mechanisms are required across the sector, including better integration of gift disclosure processes with decision-making activities.

The Shire's practices relating to gifts and benefits have recently been reviewed as part of the Financial Management Regulations (Regulation 17) review, which considered internal controls, governance processes and compliance arrangements.

Risk Management

Risk:	Likelihood:	Consequence:	Risk Rating:
Compliance	Likely	Moderate	High (12)
Risk Description:	Failure to identify and manage conflicts arising from gifts and benefits may result in decisions being, or being perceived to be, influenced by personal benefit.		
Mitigation:	Strengthen the existing gifts and benefits process by integrating it into Council reporting and decision-making processes to ensure transparency and mitigate actual or perceived conflicts.		
Risk:	Likelihood:	Consequence:	Risk Rating:
Compliance	Likely	Moderate	High (12)
Risk Description:	Where staff engage with suppliers who have provided gifts or benefits, there is an increased risk of compromised procurement outcomes.		
Mitigation:	Develop a process to link gift disclosures to procurement or supplier engagement processes for staff, to ensure conflicts of interest are actively identified and managed.		
Risk:	Likelihood:	Consequence:	Risk Rating:
Compliance	Likely	Moderate	High (12)
Risk Description:	Absence of integrated processes linking gift disclosures to Council decision-making may limit visibility of potential conflicts.		
Mitigation:	Strengthen the existing gifts and benefits process by integrating it into Council reporting and decision-making processes to ensure transparency and mitigate actual or perceived conflicts.		

Risk:	Likelihood:	Consequence:	Risk Rating:
Reputational	Likely	Moderate	High (12)
Risk Description:	Community confidence may be adversely impacted where gifts and benefits are not effectively managed.		
Mitigation:	Strengthen the existing gifts and benefits process by integrating it into Council reporting and decision-making processes to ensure transparency and mitigate actual or perceived conflicts.		

Financial Implications

Nil.

Policy Compliance

The Shire has an established policy and governance framework addressing gifts and benefits, including:

- EXE/CP-5 Attendance at Events and Functions Council Policy,
- Code of Conduct for Employees, Contractors and Volunteers,
- Code of Conduct for Council Members, Committee Members and Candidates.

These documents provide guidance relating to:

- acceptance of gifts and benefits,
- attendance at events in an official capacity, and
- declaration and management of conflicts of interest.

Statutory Compliance

The following legislation is relevant to the management of gifts and benefits:

Local Government Act 1995

- Section 5.57 – definition of gift
- Sections 5.87A–5.87C – disclosure of gifts by Council Members and CEO
- Section 5.62 – disclosure of interests affecting impartiality

Local Government (Administration) Regulations 1996

- Regulations relating to gift disclosure thresholds and requirements
- Regulation 19AB and 19AC – requirements relating to staff codes of conduct and gifts

The legislation establishes requirements for disclosure of gifts and management of conflicts of interest, including thresholds and reporting timeframes.

Consultation

Internal Consultation

- Governance staff have contributed to the review of current practices.
- The Shire's processes were recently considered as part of the Regulation 17 review.

External / Community Consultation

Nil.

Future Consultation

Any proposed policy or procedural changes will require internal consultation with relevant business units (e.g. procurement, governance); and briefing of Elected Members to support consistent application.

Officer Comment

The OAG report confirms that local governments, including the Shire, generally have appropriate policy frameworks in place to manage gifts and benefits. The Shire's current policies, provide a sound foundation aligned with legislative requirements.

The recent Regulation 17 review further supports that appropriate governance controls exist.

However, consistent with the OAG findings, there are two key areas for improvement that have been identified by staff.

Gap One

There is no formalised or embedded process to ensure disclosed gifts are considered during preparation of Council reports, including where Elected Members may have received gifts.

Gap Two

There is no systematic mechanism to link gift disclosures to procurement or supplier engagement processes for staff, to ensure conflicts of interest are actively identified and managed.

These gaps create a risk that disclosed gifts may not be appropriately considered at the point where decisions are being made.

Gap One - Proposed Control

Amend the Council report template to require identification and disclosure of any relevant conflicts of interest, including gifts and benefits, in support of the executive recommendation.

Gap Two - Proposed Control

- Amend the Tender Register template to require identification and disclosure of any relevant conflicts of interest, including gifts and benefits, in relation to procurement activities; and
- Implement a requirement within purchasing procedures (e.g. purchase orders, credit card acquittals, or requisitions) for staff to declare any relevant gifts or benefits and conflicts of interest, supported by periodic cross-checking against the gifts register.

The proposed controls represent a targeted and proportionate improvement that aligns with better practice identified by the OAG, particularly in strengthening oversight and conflict of interest management.

Accordingly, the Committee is requested to consider the Executive Recommendation.

COMMITTEE RESOLUTION:	ARI 13/06-26		
MOVED BY:	Cr Vivienne MacCarthy	**SECONDED BY:**	Cr Tyler Hall

That the Audit, Risk and Improvement Committee:

1. **Notes the Office of the Auditor General's Report 11: *Local Government Management of Gifts and Benefits* (March 2026) and the associated sector-wide findings;**
2. **Notes the Shire's current practices, policies and procedures relating to gifts and benefits, including EXE/CP-5 Attendance at Events and Functions, the Code of Conduct for Employees, Contractors and Volunteers, and the Code of Conduct for Council Members, Committee Members and Candidates.**
3. **Notes the proposed process improvement improvements to embed gifts and benefits disclosures within Council reporting and procurement processes; and**
4. **Recommends that Council support the implementation of the proposed control improvements to strengthen the integration of gifts and benefits disclosures into Council decision-making and procurement processes, consistent with better practice identified by the OAG.**

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

8.1.5 Office of the Auditor General – Report 12: Information Systems Audit Results (Local Government 2025)

Report Details:

Prepared by: Executive Manager Corporate

Manager: Chief Executive Officer

File Reference:

Voting Requirement: Simple Majority

Attachment(s):

8.1.5(1) Report 12: Information Systems Audit Results (Local Government 2025)

Executive Recommendation

That the Audit, Risk and Improvement Committee:

1. **Notes the Office of the Auditor General's Report 12: *Local Government 2025 – Information Systems Audit Results* (March 2026); and**
2. **Notes the Shire's current information systems governance framework and ongoing improvements identified through the Financial Management Regulation 17 review and audit processes.**

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:	12.1.3 - Review Shire IT, including business and customer service software (such as intramaps).

Executive Summary

The Audit, Risk and Improvement Committee is requested to consider the key findings of the Office of the Auditor General's (OAG) Report 12: Local Government 2025 – Information Systems Audit Results, which provides a sector-wide assessment of information systems and cyber security controls across local governments.

The report highlights ongoing weaknesses in information and cyber security controls, including persistent unresolved issues and declining capability maturity. While no decision is required beyond noting the report, it identifies key risk areas relevant to the Shire and supports continued focus on strengthening internal controls, governance and system resilience.

Background

The OAG undertakes annual information systems audits to assess whether general computer controls support the confidentiality, integrity and availability of systems and data.

The 2025 report identified:

- 333 control weaknesses across 68 entities, with 60% of findings unresolved from prior years, indicating persistent control issues.

The report concluded that:

- weaknesses across information and cyber security controls remain prevalent; and
- these weaknesses increase risks of service disruption, data breaches, financial loss and reputational damage.

The audit also found that capability maturity across key IT control areas declined overall, with most entities failing to meet benchmark levels across all 10 categories assessed.

The Shire's systems and control environment are subject to ongoing review through annual financial audits and the Financial Management Regulation 17 review process.

Risk Management

Risk:	Likelihood:	Consequence:	Risk Rating:
Choose an item.	Likely	Major	High (16)
Risk Description:	Persistent information systems and cyber security control weaknesses may expose the Shire to service disruption, data breach, and governance failure if controls are not fully implemented, monitored and sustained.		
Mitigation:	Implementation of the ICT Strategy, Cyber Security Action Plan, and ongoing audit monitoring through ARIC provides structured oversight and continuous improvement of the Shire's information systems control environment.		

Financial Implications

Nil.

Policy Compliance

The Shire maintains policies and procedures that support information governance and system security, including:

- Information Security Policy
- ICT Backup and Recovery
- ICT User Access Policy
- ICT Asset and Lifecycle Management Policy
- Risk Management Framework
- Business continuity Plan
- ICT Disaster Recovery Plan

Statutory Compliance

Nil.

Consultation

Internal Consultation

Ongoing engagement with ICT, finance and governance staff through audit processes and the Regulation 17 review.

External Consultation

Nil.

Future Consultation

Future improvements may require, internal consultation across business units, engagement with ICT service providers or vendors and consideration through ARIC and Council reporting processes.

Officer Comment

The OAG report highlights that while local governments demonstrate improvement in some areas, systemic weaknesses in information and cyber security controls remain across the sector, with a high proportion of findings carried over from previous years.

The Shire's information systems and governance processes are subject to regular review through:

- annual financial audits
- ICT governance and operational processes; and
- the recent Financial Management Regulation 17 review

Consistent with the findings of the OAG report, the key governance consideration is not the existence of policies and controls, but their effective implementation, monitoring and continuous improvement.

The report identifies several high-risk areas that warrant ongoing focus, including:

Access Management Controls

1. Expansion and strengthening of Multi-Factor Authentication (MFA) across remote and privileged access environments.
2. Reduction of excessive privilege through restricted administrator access and introduction of privileged access controls.
3. Removal of end-of-life systems to reduce unmanaged access vulnerabilities.
4. The development of the ICT User Access Policy to embed formal access governance frameworks including a periodic review process.

Cyber Security Maturity

1. Significant uplift in core technical controls since March 2025 baseline, including:
    a. Deployment of Endpoint Detection & Response (EDR) with managed security operations monitoring,
    b. Strengthened logging and monitoring capabilities across key systems,
    c. Removal of all end-of-life systems to reduce cyber exposure.
2. Continued enhancement of email filtering, web security and system hardening controls.

3. Introduction of 24/7 managed monitoring capability (SOC) via external ICT provider arrangements.
4. Regular review of cyber posture through:
    a. LGIS Cyber Security Review benchmarking, and
    b. Internal ICT oversight and audit processes.
5. Development and implementation of a formal Cyber Security Action Plan with prioritised uplift initiatives.
6. Integration of cyber security initiatives into the ICT Strategy roadmap, with staged uplift aligned to sector frameworks.
7. Establishment of KPIs and performance metrics to measure maturity uplift over time.
8. Cyber security training undertaken by staff.

Business Continuity and Disaster Recovery Planning

1. Development and ongoing refinement of Disaster Recovery (DR) architecture, including:
    a. Strengthened backup and offsite replication arrangements,
    b. Infrastructure upgrades supporting improved resilience.
2. Regular testing and validation of DR capability to confirm system recovery processes (referenced in audit and internal reviews).
3. DR capability reviewed through:
    a. ICT system reviews and infrastructure assessments,
    b. Audit processes and Regulation 17 review oversight.

Monitoring and Remediation of Audit Findings

1. Formal commitment (through ARIC reporting) to:
    a. Track, report and address audit findings in a timely manner,
    b. Align audit responses with key OAG risk areas (access, cyber, continuity).
2. Use of:
    a. Financial Management Regulation 17 reviews,
    b. Annual financial audits as structured mechanisms to identify and validate control improvements.
    c. Benchmarking against LGIS cyber maturity framework, and the OAG sector-wide observations.
3. ICT Strategy outlines the formal governance frameworks and monitoring, evaluation and KPI tracking mechanisms to ensure sustained improvement and closure of audit findings has been identified in the ICT Strategy.

The Shire has moved from a largely reactive and technically focused control environment to a more structured and risk-informed approach, the Shire's focus has shifted toward ensuring that controls are not only in place, but are actively monitored, periodically tested, and continuously improved.

Accordingly, the Committee is requested to consider the Executive Recommendation.

COMMITTEE RESOLUTION:	ARI 14/06-26		
MOVED BY:	Cr Tyler Hall	**SECONDED BY:**	Cr Vivienne MacCarthy

That the Audit, Risk and Improvement Committee:

1. **Notes the Office of the Auditor General's Report 12: *Local Government 2025 – Information Systems Audit Results* (March 2026); and**
2. **Notes the Shire's current information systems governance framework and ongoing improvements identified through the Financial Management Regulation 17 review and audit processes.**

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

8.1.6. Office of the Auditor General – Report 13: Financial Audit Results (Local Government 2025)

Report Details:

Prepared by: Executive Manager Corporate

Manager: Chief Executive Officer

File Reference:

Voting Requirement: Simple Majority

Attachment(s):

8.1.6(1) Report 13: Financial Audit Results (Local Government 2025)

Executive Recommendation

That the Audit, Risk and Improvement Committee:

1. **Notes the Office of the Auditor General's Report 13: Local Government 2025 – Financial Audit Results (April 2026);**
2. **Notes the inclusion of the Shire of Donnybrook Balingup as a Top 20 best practice entity (Band 3 and 4 category); and**
3. **Recommends to Council to Council that it acknowledges that this outcome reflects strong financial management, audit readiness and governance practices, while supporting continued focus on maintaining these standards and addressing emerging sector-wide risks.**

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: 12.1.3 - Review Shire IT, including business and customer service software (such as intramaps).

Executive Summary

The Audit, Risk and Improvement Committee is requested to consider the findings of the Office of the Auditor General's (OAG) Financial Audit Results report for local government.

The report identifies that the Shire of Donnybrook Balingup has been recognised as a Top 20 best practice entity, reflecting strong performance across financial reporting quality, timeliness and governance practices. This is a positive outcome for the organisation, demonstrating a high level of maturity compared to peers, while also reinforcing the need to maintain and continuously improve financial management practices in line with sector expectations.

Background

The OAG annual financial audit report summarises the outcomes of financial audits across 138 local government entities for the year ended 30 June 2025.

The 2025 results indicate:

1. 136 clear audit opinions, with only two qualified opinions issued across the sector, and
2. improved timeliness of audit completion, with 94% of opinions issued by the statutory deadline.

For 2025, the OAG introduced a revised approach to identifying best practice entities by aligning results to local government banding categories, providing more meaningful comparison across similar organisations.

Within this revised framework, the Shire of Donnybrook Balingup has been recognised as one of the Top 20 best practice entities for Band 3, 4 and regional councils.

Best practice entities are assessed against criteria including:

- timeliness of financial reporting
- quality and accuracy of financial reports
- quality of supporting working papers
- resolution of accounting issues
- staff availability and audit readiness
- number and severity of audit findings
- achievement of a clear audit opinion without modifications

Risk Management

While the Shire has been recognised as a best practice entity, sector-wide risks identified by the OAG within Attachment 8.1.5 (1) remain relevant. The Shire's inclusion as a best practice entity suggests these risks are being effectively managed at a local level, however they require ongoing oversight to ensure standards are maintained.

Financial Implications

Nil.

Policy Compliance

Nil.

Statutory Compliance

Nil.

Consultation

Nil.

Officer Comment

The recognition of the Shire as a Top 20 best practice entity in the OAG Financial Audit Results report is a significant and positive outcome for the organisation.
This recognition demonstrates that the Shire is performing strongly across key areas of financial governance, including:

- preparation of high-quality financial reports

- audit readiness and timeliness
- effective resolution of audit matters; and
- maintenance of robust financial controls

Importantly, the OAG assessment criteria emphasise not only compliance, but consistency, quality and maturity of financial practices, indicating that the Shire's approach aligns with better practice across the sector.

From a governance perspective, this places the Shire in a strong position relative to comparable local governments and provides assurance to Council, the Committee and the community regarding the integrity of financial reporting and decision-making processes.

However, the report also highlights that:

- sector-wide challenges remain; and
- maintaining best practice requires ongoing vigilance, continuous improvement and sustained focus on key risk areas, particularly financial reporting quality, asset management and control environments.

Accordingly, while the outcome reflects positively on the Shire's current practices, it also reinforces the importance of:

- maintaining strong internal controls;
- promptly addressing any audit findings; and
- continuing to embed improvement initiatives into business processes.

Accordingly, the Committee is requested to consider the Executive Recommendation.

COMMITTEE RESOLUTION:	ARI 15/06-26		
MOVED BY:	Cr Tyler Hall	**SECONDED BY:**	Cr Vivienne MacCarthy

That the Audit, Risk and Improvement Committee:

1. **Notes the Office of the Auditor General's Report 13: Local Government 2025 – Financial Audit Results (April 2026);**
2. **Notes the inclusion of the Shire of Donnybrook Balingup as a Top 20 best practice entity (Band 3 and 4 category); and**
3. **Recommends to Council to Council that it acknowledges that this outcome reflects strong financial management, audit readiness and governance practices, while supporting continued focus on maintaining these standards and addressing emerging sector-wide risks.**

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

8.1.7 Chief Executive Officer Briefing

Executive Recommendation

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

COMMITTEE RESOLUTION:	ARI 16/06-26		
MOVED BY:	Cr Tyler Hall	**SECONDED BY:**	Cr Vivienne MacCarthy

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

For: Cr Vivienne MacCarthy, Cr Tyler Hall, Mr Phillip Anastasakis
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 Risk and Improvement Committee Meeting is scheduled for 3 September 2026.

The Chairperson declared the meeting closed at 3:59pm.

Annual Audit Findings August 2026 status

	Primary	Auditors Recommendation	Finding Details	Status - June 2026	Management Comment - June 2026	Status- August 2026	Management Comments - August 2026
1	Lack of IT Policies, Strategic Plan, IT Risk Register	We recommend the Shire conducts a comprehensive review of IT as soon as possible and introduces an IT strategy, appropriate IT policies and procedures, a formal Disaster Recovery Plan (and testing schedule) and conducts cyber security training for Shire employees.	While we acknowledge the Shire is in the process of developing its IT governance framework, at the time of our interim audit, we noted that key elements had not yet been formally established or implemented, as follows: The Shire does not have a documented and approved IT Strategy; Formal IT policies and procedures have not been implemented, including but not limited to General IT, Cyber Security, and Change Management; An IT Risk Register has been drafted; however, it has not yet been formally approved by Council; and Staff have not undertaken structure cyber security awareness training.		Management acknowledges this finding and notes that the Shire has made substantial progress in establishing a formal ICT governance framework since the prior audit. A draft ICT Strategy has been developed and is scheduled to be workshopped with Council prior to formal adoption in July 2026. The Strategy provides a structured roadmap for improving ICT governance, cyber security capability and service delivery, and incorporates key enabling elements including an ICT Change Management framework and the formalisation of the ICT Risk Register. These components will be progressed concurrently as part of the Strategy's adoption to ensure an integrated and coordinated governance approach In parallel, a suite of core ICT policies has been developed and is ready for implementation, including the ICT Acceptable Use Policy, ICT Asset and Lifecycle Management Policy, ICT Backup and Recovery Policy, ICT User Access Policy, and Information Security Policy. These will be implemented in alignment with the endorsed Strategy, with further supporting policies (including Change Management) to be formalised where required to operationalise the framework. Cyber security awareness training has now been delivered organisation-wide, addressing a key control gap identified in prior audits. Management is adopting a staged, resource-conscious approach to implementation, recognising the scale of organisational change required. This includes a focus on embedding controls, practices and behaviours across the organisation to ensure changes are sustainable. The Shire is targeting achievement of Essential Eight Maturity Level 1 by December 2026 and is committed to a continuous improvement approach to ICT governance and cyber security maturity. This finding remains a priority focus area and will be monitored until all elements of the ICT governance framework are formally adopted and embedded.		ICT Strategy is being presented to Council at its August OCM

	Primary	Auditors Recommendation	Finding Details	Status - June 2026	Management Comment - June 2026	Status- August 2026	Management Comments - August 2026
2	Payroll Exceptions	We recommend overtime hours are clearly authorised by the relevant line manager prior to processing; and termination payment calculations are independently reviewed and approved by an appropriate officer not involved in the preparation process.	Our sample testing of payroll transactions identified timesheets for outside staff which did not evidence clear authorisation of overtime hours by the relevant line manager. Instead, overtime hours were calculated by the payroll officer without documented confirmation of approval. In addition, we noted that the termination payment selected for testing was not subject to an independent review prior to being processed through the payroll system. The termination payment was reviewed and authorised as part of the standard pay run procedures, rather than a separate independent verification process on the final termination calculation.		Management acknowledges the finding regarding the lack of documented authorisation for overtime and the absence of an independent review of termination payments. The following actions will be implemented to address these concerns: Reinforce the requirement for all overtime to be clearly authorised by the relevant line manager prior to processing, with documented evidence retained; and Ensure a separate independent review of termination payments is completed and authorised accordingly.		Management actions in response to the findings are complete. The independent review of termination payments has been completed and identified no irregularities.
3	Policy Updates	We recommend the Shire review and update all polices that are past their scheduled review date to ensure they remain current, relevant, and compliant with applicable requirements.	During our interim audit, we noted the following policies were past date for review: Employee Code of Conduct Records Management Community Engagement Framework Community Townscape Activities Tourism in Donnybrook Balingup Legal Representation for Elected Members and Employees Honorary Freeman Shire of Donnybrook Balingup Fireworks Events Permits for Road Verge Burning Work Health and Safety Debt Regional Price Preference Temporary Employment or Appointment of CEO Working Remotely Disciplinary Discrimination, Harassment and Bullying Grievance Corporate Uniforms		Management acknowledges this finding and notes that significant progress has been made in reviewing and updating the Shire's policy suite. A number of policies identified by the audit as being overdue have since been reviewed and updated. The Shire is continuing to progress a comprehensive policy review program; however, this is being undertaken using a risk-based and resource-conscious approach to ensure priority is given to policies with higher governance, legislative or operational risk. Management has deliberately avoided presenting all outstanding policies to Council simultaneously, recognising that this would limit Council's ability to undertake a thorough and considered review of each policy. Instead, policies are being scheduled and presented to Council in a staged manner to support effective oversight, informed decision-making, and meaningful scrutiny. This approach is intended to ensure that policy reviews are substantive and fit-for-purpose, rather than administrative in nature, and that adopted policies remain current, relevant and aligned with legislative and operational requirements. The policy review program remains ongoing and will continue to be monitored until all policies are brought within their scheduled review cycles.		Policies have been reviewed and will be taken to Council before November for Adoption, or rescinding.

	Primary	Auditors Recommendation	Finding Details	Status - June 2026	Management Comment - June 2026	Status- August 2026	Management Comments - August 2026
4	Payment Exceptions	We recommend purchase order be completed and authorised prior to the goods or services being ordered.	Our sample testing of 20 payments identified 2 instances where the PO was dated after the date of the invoice.		Management notes the two findings of purchase orders dated after the date of the invoice. To address this finding, management will: Reinforce procurement requirements with staff to ensure purchase orders are raised and approved prior to ordering goods or services; and Continue monitoring compliance through routine review processes within Accounts Payable. Management considers these actions will strengthen procurement controls and reduce the risk of unauthorised expenditure occurring in the future		Management actions in response to findings are complete. Detailed flow chart outlining PO process provided to all staff and incorporated into the Procurement and Contract Management Manual.

Outstanding FMR/Reg 17 Findings August 2026

	Purpose/Goal	Risk Number and Component	Risk Issue and Failure Modes	August Status Update	Management Comment August 2026
1	4.2 Design - Policies				
2	Policy to provide guidance in determining appropriate circumstances to incur legal representation costs.	4.2.3 EM/CP-3 Legal Representation for Elected Members and Employees	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 has been reviewed and will be presented to Council at the September OCM.
3	To set out parameters for the implementation of policies.	4.2.10 General Policy Actions	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		- EMERG/CP-1 Fireworks Events -Under review - EMERG/CP-2 Permits for Road Verge Burning - Under review - EXE/CP-1 Commercial Lease – Rescinded with sunset clause - EXE/CP-2 Document Execution and Application of The Common Seal -Under review - FIN/CP-8 Building Insurance - Rescinded - HR/CP-3 Employee Recreation Centre Subsidy -Now and AP - WRKS/CP-4 Road Use Approval for Restricted Access Vehicles (RAVS) on Council's Road Network - Rescinded
4	Policy to provide guidance for the use, allocation, control and safe custody of corporate credit cards.	4.2.6 FIN/CP-7 Credit Card	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.
5	Policy to provide guidance for the use, allocation, control and safe custody of corporate credit cards.	4.2.6 FIN/CP-7 Credit Card	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.
6	Policy to provide guidance for the use, allocation, control and safe custody of corporate credit cards.	4.2.6 FIN/CP-7 Credit Card	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.
7	5.1 Implementation - Strategic and Operational Plans				
8	5.2 Implementation - Operational and Financial Procedures				
9	Procedures and practices to set out a uniform approach to the identification, assessment, management, reporting and monitoring of risks.	5.2.1 Risk Management Procedures	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 Risk Management Framework has been implemented; however, resourcing constraints have impacted the practical application of reporting requirements. A review of their appropriateness will be undertaken.
10	The evaluation of risk in overall security policy, in general ICT and application.	5.2.3 ICT Risk Evaluation	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.		The Shire has adopted a Strategic Risk Register. Strategic Risk SR-16 addresses the ICT related risks; the residual risk rating has identified the need for a treatment plan. The next stage is for the ELT to develop treatment plans for each risk that falls outside the tolerance rating of 10+.
11	5.3 Implementation - Human Resources Management and Practices				
12	Procedures to ensure appointment of staff are appropriately authorised, and onboarding processes are consistently and routinely applied.	5.3.1 Employee Appointment Procedures	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.		An induction passport has been developed for the outside workforce. The review of the internal process is being reviewed and trialed with new staff onboarding.

	Purpose/Goal	Risk Number and Component	Risk Issue and Failure Modes	August Status Update	Management Comment August 2026
13	Framework to provide effective communication between an employee and employer to measure performance, identify training needs and improve effectiveness and efficiency in the workplace.	5.3.4 Performance Reviews	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.		Implemented a revised performance review processes, including realignment of the CEO's KPIs, introduction of structured rating scales, and improved follow-up mechanisms. These are currently being trialled across the organisation.
14	5.4 Implementation - Insurance				
15	6.1 Evaluation - Council and Audit and Risk Committee				
16	Official record of proceedings and decisions.	6.1.1 Council and Committee Minutes	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.
17	6.2 Evaluation - Strategic and Operational Registers				
18	Provide a record of contracts entered into by the Shire.	6.2.5 Contracts Register	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.
19	Provide a record of risk breaches and remedial action taken.	6.2.1 Risk Register	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.		Council adopted the Strategic Risk Register, staff are reviewing the control effectiveness and developing treatment plans were required.
20	Register to maintain listing of portable / desirable assets as required by Local Government (Financial Management) Regulations 1996.	6.2.6 Portable and Attractive Items Register	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.		Review yet to be completed
21	6.3 Evaluation - Annual CAR				
22	6.5 Evaluation - Audit Practices				
23	6.6 Evaluation - CEO Reviews				
24			**Resolved Findings**		

Summary for ARIC 26 June 2026

	Legislative Instrument	Reference	Question	Combined responses	Combined comments
1					
2	Local Government Act 1995	s2.29	Has every person elected or appointed to a mayor, president, deputy, or councillor role made the required declaration in the prescribed form before a prescribed person, prior to acting in the office?	YES	
3	Local Government Act 1995	s3.16	Has the local government reviewed local laws which have not been reviewed in the previous 8 years, to ensure compliance with Schedule 9.3, Clause 65?	YES	
4	Local Government Act 1995	s3.57	Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?	YES	
5	Local Government Act 1995	s3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)?	YES	
6	Local Government Act 1995	s3.58(4)	Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4) of the Act, in the required local public notice for each disposal of property?	YES	
7	Local Government Act 1995	s3.59(2)(a)	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2025?	N/A	
8	Local Government Act 1995	s3.59(2)(b)	Has the local government prepared a business plan for each major land transaction that was not exempt in 2025?	N/A	
9	Local Government Act 1995	s3.59(2)(c)	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2025?	N/A	
10	Local Government Act 1995	s3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2025?	N/A	
11	Local Government Act 1995	s3.59(5)	During 2025, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	N/A	
12	Local Government Act 1995	s5.16(1)	Were all delegations to committees resolved by absolute majority?	YES	
13	Local Government Act 1995	s5.16(2)	Were all delegations to committees in writing?	YES	
14	Local Government Act 1995	s5.17	Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995?	YES	
15	Local Government Act 1995	s5.18	Were all delegations to committees recorded in a register of delegations?	YES	

	Legislative Instrument	Reference	Question	Combined responses	Combined comments
16	Local Government Act 1995	s5.36(4) & s5.37(3)	Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?	N/A	
17	Local Government Act 1995	s5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee?	N/A	
18	Local Government Act 1995	s5.37(2)	Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	N/A	
19	Local Government Act 1995	s5.39(B)	Has the local government adopted and maintained model standards that incorporate the prescribed model standards within required timeframes (including amendments), ensured adoption by absolute majority, published an up-to-date version on its official website, and avoided including any inconsistent additional provisions?	YES	
20	Local Government Act 1995	s5.42	Were all delegations to the CEO resolved by an absolute majority?	YES	
21	Local Government Act 1995	s5.42	Were all delegations to the CEO in writing?	YES	
22	Local Government Act 1995	s5.43	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995?	YES	
23	Local Government Act 1995	s5.44(2)	Were all employees delegated authority by the CEO under Section 5.44(1), issued with a written instrument of delegation?	YES	
24	Local Government Act 1995	s5.45 (1) (b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority?	YES	
25	Local Government Act 1995	s5.46	Has the CEO kept a register of all delegations made under Division 4 of the Local Government Act 1995 to the CEO and to employees?	YES	
26	Local Government Act 1995	s5.46	Were all delegations made under Division 4 reviewed by the delegator at least once during the 2024/2025 financial year?	YES	
27	Local Government Act 1995	s5.46	Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19?	YES	
28	Local Government Act 1995	s5.50	If the local government paid a finishing employee an amount in addition to their entitlement, did the local government follow a policy it had adopted and published on the website? outlining the circumstances in relation to payments made to terminated employees?	YES	
29	Local Government Act 1995	s5.50	If the local government made a payment to a finishing employee that is more than the amount set out in the policy, was local public notice given?	N/A	
30	Local Government Act 1995	s5.51A	Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government?	YES	
31	Local Government Act 1995	s5.51A	If yes, has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?	YES	

	Legislative Instrument	Reference	Question	Combined responses	Combined comments
32	Local Government Act 1995	s5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	YES	
33	Local Government Act 1995	s5.68(2)	Were all decisions regarding participation approval in relation to Section 5.68(2), including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting?	YES	
34	Local Government Act 1995	s5.69(5)	Were all decisions regarding participation approval in relation to Section 5.69(5), including the extent of participation allowed recorded in the minutes of the relevant council or committee meeting?	YES	
35	Local Government Act 1995	s5.70	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	YES	
36	Local Government Act 1995	s5.71B(5) and (7)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?	N/A	
37	Local Government Act 1995	s5.71B(5) and (7)	Was any decision made by the Minister under section 5.71B(6) of the Local Government Act 1995, recorded in the minutes of the council meeting at which the decision was considered?	N/A	
38	Local Government Act 1995	s5.73	Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made?	YES	
39	Local Government Act 1995	s5.75	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	NO	One Councillor did not return the form within the required period.
40	Local Government Act 1995	s5.76	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2025?	NO	Two Councillors did not return the form within the required period.
41	Local Government Act 1995	s5.77	On receipt of a primary or annual return, did the CEO, or the Mayor/President, as the case may be, give written acknowledgment of having received the return?	YES	
42	Local Government Act 1995	s5.88	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995?	YES	
43	Local Government Act 1995	s5.88	Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28?	YES	

	Legislative Instrument	Reference	Question	Combined responses	Combined comments
44	Local Government Act 1995	s5.88	After a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person?	YES	
45	Local Government Act 1995	s5.88	Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	YES	
46	Local Government Act 1995	s5.89A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A?	YES	
47	Local Government Act 1995	s5.89A	Did the CEO publish an up-to-date version of the gift register on the local government's website?	YES	
48	Local Government Act 1995	s5.90A	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?	YES	
49	Local Government Act 1995	s5.94	Does the local government have information available for members of the public to inspect, free of charge as prescribed under section 5.94 and Admin Reg 29, except where restricted under this section?	YES	
50	Local Government Act 1995	s5.96	Where a person is entitled to inspect information under this Division, can the local government confirm that copies are available and that the price at which it sells copies does not exceed the cost of providing them, (unless prescribed otherwise)?	YES	
51	Local Government Act 1995	s5.96A	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?	YES	
52	Local Government Act 1995	s5.104	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates that incorporates the model code of conduct?	YES	
53	Local Government Act 1995	s5.104	Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4) of the Local Government Act 1995?	YES	
54	Local Government Act 1995	s5.104	Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website?	YES	
55	Local Government Act 1995	s5.128	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	YES	
56	Local Government Act 1995	s7.12A(3), (4) and (5)	Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?	YES	

	Legislative Instrument	Reference	Question	Combined responses	Combined comments
57	Local Government Act 1995	s7.12A(3), (4) and (5)	Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government?	N/A	
58	Local Government Act 1995	s7.12A(3), (4) and (5)	Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website?	N/A	
59					
60	Local Government (Administration) Regulations 1996	Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995?	YES	
61	Local Government (Administration) Regulations 1996	Reg 19AB	Does the code of conduct contain the requirement that a local government employee (not including the CEO) must not accept a prohibited gift from an associated person?	YES	
62	Local Government (Administration) Regulations 1996	Reg 19AC	Does the local government's code of conduct include requirements for the recording, storing, disclosure, and use of information relating to gifts accepted by local government employees (excluding the CEO) from associated persons, in accordance with regulatory requirements?	YES	
63	Local Government (Administration) Regulations 1996	Reg 19AE	Does the local government's code of conduct include requirements addressing employee behaviour in the performance of duties, interactions with others, use and disclosure of information, use of local government resources and finances, the keeping of records, and the reporting and management of suspected breaches and misconduct, in accordance with regulatory requirements?	YES	
64	Local Government (Administration) Regulations 1996	Reg 19B	Did the local government include in its annual report all information required under section5.53(2)(g) and (i) and regulation3A(2), including number of employee's in salary bands over $130,000, remuneration and allowances paid, ordered payments, CEO remuneration, council member meeting attendance, available demographic information about council members, and details of any modifications to the strategic community plan or significant modifications to the corporate business plan?	YES	
65	Local Government (Administration) Regulations 1996	Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If yes, provide the date of the most recent review	YES	25 June 2025
66	Local Government (Administration) Regulations 1996	Reg 19DA	Has the local government reviewed its corporate business plan in accordance with Admin Regulation 19DA(4) ? If yes, provide date of review	YES	25 June 2025
67	Local Government (Administration) Regulations 1996	Reg 19DA	Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?	YES	
68	Local Government (Administration) Regulations 1996	Reg 22	Asked as part of question s5.75		

	Legislative Instrument	Reference	Question	Combined responses	Combined comments
69	Local Government (Administration) Regulations 1996	Reg 23	Asked as part of question s5.76		
70	Local Government (Administration) Regulations 1996	Reg 28	Asked as part of question s5.88(1)		
71	Local Government (Administration) Regulations 1996	Reg 28A	Asked as part of question s5.89A(1)		
72	Local Government (Administration) Regulations 1996	Reg 29	Asked as part of question s5.94		
73	Local Government (Administration) Regulations 1996	Reg 29C	Does the local government publish all prescribed information on its official website— including up-to-date policies, required details of council member and employee returns, council member fees and allowances, and relevant public notices—within the specified timeframes and in accordance with legislative requirements?	YES	
74	Local Government (Administration) Regulations 1996	Reg 35	Has every local government council member completed and passed the Council Member Essentials course, consisting of the five required modules and delivered by an approved provider, within 12 months of being elected?	NO	One Councillor did not complete the training within the required period.
75	Local Government (Administration) Regulations 1996	Reg 36	Does the local government appropriately identify and document council members who are exempt from the training requirements under section 5.126(1), including verifying that the member: - has completed an approved course within the specified 5-year period prior to election, or - completed the LGASS00002 Elected Member Skill Set before 1 July 2019 within the relevant timeframe, or - qualifies for the transitional exemption applicable to council members in office at the commencement of the 2019 regulatory amendments?	YES	
76					
77	Local Government (Audit) Regulations 1996	Reg 10	Was the auditor's report for the financial year ending 30 June 2025 received by the local government within 30 days of completion of the audit?	YES	
78	Local Government (Audit) Regulations 1996	Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2025? If yes, provide date of council's resolution to accept the report.	YES	26 March 2025
79					
80	Local Government (Constitution) Regulations 1998	Reg 11FA	Did the CEO provide the Minister a report as to the result of the election within 14 days of the declaration and in the form of Form 20 of the Local Government (Elections) Regulations 1997, modified as necessary?	YES	
81	Local Government (Constitution) Regulations 1998	Reg 13	Were all required oaths, affirmations and declarations under section 2.42 (in relation to Commissioners) made in the correct form (Form 8), before the appropriate authorised person?	YES	

	Legislative Instrument	Reference	Question	Combined responses	Combined comments
82					
83	Local Government (Elections) Regulations 1997	Reg 30	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997?	YES	
84	Local Government (Elections) Regulations 1997	Reg 30	Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997?	N/A	
85	Local Government (Elections) Regulations 1997	Reg 30	Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997?	YES	
86					
87	Local Government (Financial Management) Regulations 1996	Reg 5	Has the CEO ensured efficient systems and procedures are established under provisions set out in Financial Management Regulations 5(1)(a) to (g)?	YES	
88	Local Government (Financial Management) Regulations 1996	Reg 6	Has the local government ensured that any employee delegated responsibility for day-to-day accounting or financial management operations is not also delegated the responsibility for conducting internal audits, reviewing their own duties, or for managing, directing or supervising someone who carries out these functions?	YES	
89	Local Government (Financial Management) Regulations 1996	Reg 7	Did the local government ensure it has regard to the needs of the inhabitants of the district as a whole and not keep separate ward accounts or determine expenditure on the basis of revenue from a ward?	YES	
90	Local Government (Financial Management) Regulations 1996	Reg 8	Does the local government maintain separate accounts with a bank or other financial institution for money to be held in the municipal fund, trust fund and for reserve account purposes?	YES	
91	Local Government (Financial Management) Regulations 1996	Reg 9	Did the local government keep separate financial records for each trading undertaking and each major land transaction?	N/A	
92	Local Government (Financial Management) Regulations 1996	Reg 11	Has the local government developed procedures for the authorisation of, and the payment of, accounts in accordance with Local Government (Financial Management) Regulations 11(1), (2) and (3)?	YES	
93	Local Government (Financial Management) Regulations 1996	Reg 12	Were payments made from the municipal fund or trust fund made by the CEO under a delegated authority or authorised, in accordance with regulation 13(2), in advance by a council resolution?	YES	

	Legislative Instrument	Reference	Question	Combined responses	Combined comments
94	Local Government (Financial Management) Regulations 1996	Reg 13	Can the local government confirm that, where the CEO has been delegated authority to make payments from the municipal or trust fund, the CEO prepared accurate monthly lists that are presented at the next ordinary council meeting and recorded in the minutes that: - include the payee's name, payment amount, payment date, and sufficient information to identify each transaction where payments have already been made; or - include the payee's name, payment amount, sufficient information to identify each transaction, and the date of the council meeting (to which the list will be presented) for accounts requiring council approval?	YES	
95	Local Government (Financial Management) Regulations 1996	Reg 13A	Did the local government prepare a list each month of all payments made using employee-authorised credit, debit or other purchasing cards, and include the payee's name, the amount of the payment, the date of the payment, sufficient information to identify the payment, and present the list at the next ordinary council meeting (and record in the minutes)?	YES	
96	Local Government (Financial Management) Regulations 1996	Reg 19	Has the local government established and documented internal control procedures to enable identification of the nature and location of all investments and any related transactions?	YES	
97	Local Government (Financial Management) Regulations 1996	Reg 19C	Has the local government ensured that all investments made under section 6.14(1) comply with statutory restrictions set out in Financial Management Reg. 19C?	YES	
98					
99	Local Government (Functions and General) Regulations 1996	Reg 7	Asked as part of question s3.59(2)		
100	Local Government (Functions and General) Regulations 1996	Reg 9	Asked as part of question s3.59(2)		
101	Local Government (Functions and General) Regulations 1996	Reg 10	Asked as part of question s3.59(2)		
102	Local Government (Functions and General) Regulations 1996	Reg 11A	Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, $250,000 or less or worth $250,000 or less?	YES	
103	Local Government (Functions and General) Regulations 1996	Reg 11	Asked as part of question s3.57		
104	Local Government (Functions and General) Regulations 1996	Reg 12	Did the local government consider the implications of Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?	YES	
105	Local Government (Functions and General) Regulations 1996	Reg 14(1), (3) and (5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents, or each acceptable tenderer notice of the variation?	YES	
106	Local Government (Functions and General) Regulations 1996	Reg 15	Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?	YES	

	Legislative Instrument	Reference	Question	Combined responses	Combined comments
107	Local Government (Functions and General) Regulations 1996	Reg 16	Asked as part of question Reg 15		
108	Local Government (Functions and General) Regulations 1996	Reg 17	Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	YES	
109	Local Government (Functions and General) Regulations 1996	Reg 18 (1) and (4)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?	N/A	
110	Local Government (Functions and General) Regulations 1996	Reg 18 (1) and (4)	Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	YES	
111	Local Government (Functions and General) Regulations 1996	Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	YES	
112	Local Government (Functions and General) Regulations 1996	Reg 21	Does the local government's advertising and expression of interest processes for limiting who can tender comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?	YES	
113	Local Government (Functions and General) Regulations 1996	Reg 22	Asked as part of question Reg 21		
114	Local Government (Functions and General) Regulations 1996	Reg 23	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?	N/A	
115	Local Government (Functions and General) Regulations 1996	Reg 23	Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	N/A	
116	Local Government (Functions and General) Regulations 1996	Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24?	N/A	
117	Local Government (Functions and General) Regulations 1996	Reg 24AD(2), (4) and (6)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions & General) Regulations 1996 regulations 24AD(4) and 24AE?	N/A	
118	Local Government (Functions and General) Regulations 1996	Reg 24AD(2), (4) and (6)	If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	N/A	
119	Local Government (Functions and General) Regulations 1996	Reg 24AE	Asked as part of question Reg 24AD(2), (4) and (6)		
120	Local Government (Functions and General) Regulations 1996	Reg 24AF	Asked as part of question Reg 24AD(2), (4) and (6)		

	Legislative Instrument	Reference	Question	Combined responses	Combined comments
121	Local Government (Functions and General) Regulations 1996	Reg AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG?	N/A	
122	Local Government (Functions and General) Regulations 1996	Reg AH(1) and (3)	Did the local government reject any applications to join a panel of prequalified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?	N/A	
123	Local Government (Functions and General) Regulations 1996	Reg AH(1) and (3)	Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	N/A	
124	Local Government (Functions and General) Regulations 1996	Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	YES	
125	Local Government (Functions and General) Regulations 1996	Reg 24E	Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?	YES	
126	Local Government (Functions and General) Regulations 1996	Reg 24F	Asked as part of question Reg 24		

Strategic Risk Register

Strategic Risk No.	Risk Consequence Category	Strategic Risk Description	Causes	Consequences	Inherent Consequence #	Inherent Likelihood #	Inherent Risk Rating #	Controls	Overall Control Effectiveness Rating	Residual Consequence	Residual Likelihood	Residual Risk Rating	Treatment plan Action
SR-01	Community Compliance/Legal Environment Financial Health & Safety Property Reputational Service Interruption	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	4	2	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 7. Attraction and Retention Plan	Adequate	4	1	4	Accept
SR-02	Community Environment Financial Reputational	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)	4	2	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	Effective	4	1	4	Accept
SR-03	Community Financial Reputational Service Interruption	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	4	3	12	1. Long Term Financial Plan 2. Council Plan and routine reporting to Council 3. Finance dashboards for budget monitoring 4. Rating Strategy 5. Developer Contribution Plan Financial Audit Results 6. Planning for the Future Advocacy plan 7. Economic Development and Tourism Strategy 8. Project and Contract Management Framework 9. Grant agreements with fundng bodies to assist in asset upgrades. 10. Overhead monitoring	Effective	4	1	4	Accept
SR-04	Community Financial Reputational	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	5	2	10	1. Planning for the Future Advocacy Plan 2. Agreements with Main Roads and Federal Gov. to obtain infrastructure upgrades 3. CEO/Shire President meeting regularly with Minister / Local Member 4. Community Engagement Framework 5. Communications Protocol and Communications Policy 6. Project Management Framework (to provide project delivery assurance) 7. Supporting major infrastructure projects (e.g. SW Highway): Various memberships and networking with regional partners 8. Council Plan 9. WALGA/WBAC Advocacy	Adequate	5	1	5	Accept
SR-05	Community Compliance/Legal Environment Financial Health & Safety Property Reputational Service Interruption	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	4	3	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. Biodiversity Programms	Adequate	4	2	8	Accept
SR-06	Community Financial Health & Safety Reputational Service Interruption	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	4	3	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 & Improvement Committee) 6.External Funding, Partnership and Grant Management Controls 7. Regional Collaboration 8. Advocacy	Adequate	4	2	8	Accept
SR-07	Community Compliance/Legal Financial Property Reputational Service Interruption	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	4	3	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 5. Capital Projects Reporting	Effective	4	1	4	Accept
SR-08	Community Compliance/Legal Environment Financial Health & Safety Property Reputational Service Interruption	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	5	3	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	Adequate	5	2	10	Reduce
SR-09	Community Financial Health & Safety Property Reputational Service Interruption	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	5	3	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	Effective	5	1	5	Accept

Strategic Risk No.	Risk Consequence Category	Strategic Risk Description	Causes	Consequences	Inherent Consequence #	Inherent Likelihood #	Inherent Risk Rating #	Controls	Overall Control Effectiveness Rating	Residual Consequence	Residual Likelihood	Residual Risk Rating	Treatment plan Action
SR-10	Compliance/Legal Financial Health & Safety Reputational Service Interruption	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	5	3	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. Strategic WHS Plan 9. HRS 10. ICT Improvements - RiskTalk	Effective	5	1	5	Reduce
SR-11	Compliance/Legal Financial Health & Safety Reputational Service Interruption	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	4	4	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 Improvement Committee Oversight 6.Internal and External Audit and Assurance Activities 7.Code of Conduct, Ethical Standards and Complaints Handling Processes 8. Strategic Risk Framework	Effective	4	1	4	Accept
SR-12	Community Environment Financial Health & Safety Property Reputational Service Interruption	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	5	4	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	Effective	5	2	10	Reduce
SR-13	Compliance/Legal Environment Financial Health & Safety Property Reputational Service Interruption	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	4	5	20	1. Worker Inductions and training 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 13. Operational WHS Risk Register 14. Subcriptions e.g., WA Legislation RSS Notifications, WALGA, LG Pro, DLGRIS 15. ELT oversight	Effective	4	3	12	Reduce
SR-14	Compliance/Legal Financial Reputational Service Interruption	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	4	5	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	Adequate	4	4	16	Reduce
SR-15	Community Compliance/Legal Financial Health & Safety Property Service Interruption	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	4	5	20	1. Asset Management Plans incorporating forward works plans 2. Asset Optimisation 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	Effective	4	3	12	Reduce
SR-16	Compliance/Legal Financial Health & Safety Reputational Service Interruption	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)	5	5	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 3. ICT Risk Register 4. ICT Strategic Plan 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) 8. Cloud Management/Cloud first approach including Cloud Migration Strategy 9. Business Continuity Planning 10.Asset lifecycle management policy 11.Regular ICT auditing including penetration testing 12.Regular reviews of technical documentation and process including BOPs, policies, work instructions and QRGs 13. Managed Service Provider - Harmonic IT	Adequate	5	4	20	Reduce

Shire of Donnybrook Balingup

Strategic Risk Treatment Plans

Updated 18 August 2026

Purpose

These treatment plans convert the adopted Strategic Risk Register into a practical implementation tool. They are designed to record ownership, current controls, treatment actions, success measures and monitoring requirements for Executive and ARIC oversight.

Note:

- Treatment plans have been developed for strategic risks with a residual risk rating above the Shire's risk tolerance of 9, unless otherwise determined by the Executive Leadership Team.
- Treatment actions are drafted for management review. Risk owners should validate actions, timing, resources and target residual risk before formal reporting.

Contents

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1. Basis for Treatment Planning

Planning principle	Application in this document
Risk treatment trigger	The framework requires treatment plans where controls are inadequate and where residual risk is High or Extreme. High and Extreme risks should be treated to reduce likelihood and/or consequence, or to improve control effectiveness.
Risk tolerance link	Low risks are monitored annually, Moderate risks semi-annually, High risks monthly by Management/ELT, and Extreme risks continuously by Council.
Control assurance	Existing controls should be tested for design and operating effectiveness. Where a treatment is fully implemented, it should be added to the register as a control and the residual rating reassessed.
Reporting	The Council Policy requires regular risk reporting to the Executive Team and Audit, Risk and Improvement Committee, including significant risks and mitigation plans.

2. Strategic Risk Summary

See Register (Smartsheets)

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SR-08: Global, national or local pandemic impacts the Shire

Objective area	People	Outcome no.	2 - A safe and healthy community.
Risk owner	Ross Marshall	Consequence categories	Community, Compliance/Legal, Environment, Financial, Health & Safety, Property, Reputational, Service Interruption

Key causes and consequences

Key causes	Key consequences
• Emergence of highly infectious or novel diseases beyond local control • Dependence on external public health responses and government directives • Reduced workforce availability due to illness, isolation or caring responsibilities • Disruption to essential services and supply chains • Limited surge capacity or cross-skilling within the workforce • Inadequate pandemic-specific business continuity or response planning	• Reduced workforce availability and operational capacity • Disruption to essential and non-essential service delivery • Increased community vulnerability and demand for support • Financial pressure from reduced revenue and increased costs • Delays to projects, programs and statutory processes • Increased health, safety and wellbeing risks to staff and community

Existing controls

• Business Continuity Planning	• Emergency Management and Incident Coordination Arrangements
• Flexible Workforce and Remote Working Arrangements	• Work Health, Safety and Wellbeing Controls
• Service Prioritisation and Continuity of Essential Services Framework	• Public Health Coordination and Information Management
• ICT Resilience and System Availability Controls	

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Risk treatment actions

Ref	Treatment/action	Lead/support	Timing	Success measure / KRI
8.1	Review and update business continuity arrangements to include pandemic-specific workforce, service and supply chain scenarios.	Nick O'Connor	Annual review	Pandemic scenario included in BCP review/testing.
8.2	Confirm essential services, minimum staffing levels, cross-skilling needs and service prioritisation triggers as per the BCP.	Nick O'Connor	Annual review	Essential service schedule and staffing contingencies maintained.
8.3	Maintain flexible work and ICT continuity arrangements that can support remote or disrupted operations.	Loren Clifford	Annual test	Remote working capability tested and documented.
8.4	Maintain WHS and wellbeing controls for infectious disease scenarios, including staff communication and support arrangements.	Loren Clifford	As required/annual review	WHS controls and staff communications are current.
8.5	Prepare public health communication templates and information management protocols for rapidly changing directions.	Ross Marshall	Annual review	Templates and communication channels confirmed.

Reporting notes

- Include as a significant strategic risk in ARIC reporting until the planned treatments are implemented and the residual rating is reassessed.
- Risk owner to confirm resource implications, target dates and whether any Council decision is required to implement treatments.
- When treatment actions become operational, transfer them into the relevant operational risk profile, project plan, business plan or compliance register as appropriate.

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SR-10: Ineffective work health and safety management

Objective area	Performance	Outcome no.	11 - Strong, visionary leadership. 2 - A safe and healthy community. 2 - A well respected, professionally run organisation.
Risk owner	Loren Clifford	Consequence categories	Compliance/Legal, Financial, Health & Safety, Reputational, Service Interruption

Key causes and consequences

Key causes	Key consequences
• Inadequate WHS governance, leadership oversight or accountability • Poor safety culture or inconsistent leadership commitment to WHS • Insufficient hazard identification, risk assessment or control implementation • Inadequate training, induction or supervision of employees and contractors • Failure to manage psychosocial hazards such as workload, fatigue and stress • Incomplete or ineffective incident reporting, investigation and follow-up	• Serious injury or fatality to employees, contractors or the public • Prosecutions, fines or enforceable undertakings • Increased workers' compensation and insurance costs • Work stoppages, lost productivity and service disruption • Reputational damage and loss of community trust • Reduced staff morale, engagement and retention

Existing controls

• WHS Policies, Procedures and Safe Work Instructions	• Hazard Identification, Risk Assessment and Incident Reporting Processes

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• Training, Induction and Competency Requirements (including contractors)	• Leadership Accountability and WHS Governance Oversight
• Consultation with Employees and Health and Safety Representatives	• Auditing, Inspections and Continuous Improvement Programs
• Wellbeing, Psychosocial Risk and Injury Management Programs	• Regional Risk Coordinator

Risk treatment actions

Ref	Treatment/action	Lead/support	Timing	Success measure / KRI
10.1	VOC Procedures in place and Authorised Officers appointed.	Loren Clifford	December 2026	Procedure/Policy implemented.
10.2	Continue regular WHS reporting to Executive covering incidents, hazards, corrective actions, inspections, training and psychosocial risks.	Loren Clifford	Quarterly	WHS dashboard reviewed and overdue actions escalated.
10.3	Create a checklist for contractor WHS management requirements, including prequalification, inductions, supervision and performance monitoring.	Ross Marshall	November 2026	Contractor WHS checklist created and disseminated.
10.4	Update the psychosocial hazard action plan	Nick O'Connor	Quarterly	Psychosocial hazards assessed and actions monitored.
10.5	Develop a live WHS portal via Smartsheets	Loren Clifford	December 2026	Portal live and Exec access granted.
10.6	Leadership commitment statement	Loren Clifford	October 2026	Leadership commitment statement added to the WHS Strategic Plan

Reporting notes

- Include as a significant strategic risk in ARIC reporting until the planned treatments are implemented and the residual rating is reassessed.
- Risk owner to confirm resource implications, target dates and whether any Council decision is required to implement treatments.

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- When treatment actions become operational, transfer them into the relevant operational risk profile, project plan, business plan or compliance register as appropriate.

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SR-12: Possible loss of life, property and critical infrastructure

Objective area	People Performance Place Planet Prosperity	Outcome no.	13 - Increased community capacity. 2 - A safe and healthy community.
Risk owner	Ross Marshall	Consequence categories	Community, Environment, Financial, Health & Safety, Property, Reputational, Service Interruption

Key causes and consequences

Key causes	Key consequences
• Natural disasters (Bushfires, flooding etc) • Inadequate transportation in and out of the shire (including public transport options and private transport options e.g. safe roads) • Inadequate telecommunication technology (internet, mobile) • failure to regulate fire break notices, fire permit permissions and requirements • failure to support an effective bushfire brigade response • failure to educate community on property management, the importance of shared responsibility and safe burning off practices	• Environmental impacts • Community Unrest and impact on community due to recovery process/ timeframes • Loss of Businesses • Reputation damage • Legal action / liability for inappropriate actions • Reduction in land values

Existing controls

• Regulatory compliance in accordance with the Bush Fires Act 1954	• and subsidiary legislation
• Dedicated emergency services team including CESM Partnership	• between the Shire and DFES

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• Bush Fire Brigades and 500+ active volunteers	• State Government Bushfire Mitigation Activity Funding program and
• implementation of mitigation works	• Bush Fire Advisory Committee and Local Emergency Management
• Committee	• Municipal budget funding for bush fire management
• Local Emergency Management Arrangements	• Backup generator for the communications tower in Jarrahdale
• Opt in text message system for the Shire for Total Fire Bans	• Annual Emergency Services Communication Plan (including
• emergency preparedness activities)	• Urban and Rural Verge Council Policy
• Maintenance Schedule for Verges	

Risk treatment actions

Ref	Treatment/action	Lead/support	Timing	Success measure / KRI
12.1	Review and exercise Local Emergency Management Arrangements, including response, recovery, communications and role clarity.	Ross Marshall	Annual exercise/review	Exercise outcomes and improvement actions recorded.
12.2	Maintain a prioritised bushfire mitigation program linked to the Bushfire Risk Management Plan and grant opportunities.	Ross Marshall	Annual program	Mitigation works completed and funding opportunities pursued.
12.3	Strengthen firebreak, burning permit, preparedness and community education programs before each fire season.	Ross Marshall	Seasonal	Compliance and preparedness activities completed.
12.4	Review support arrangements for bushfire brigades and volunteers, including training, equipment, communications and wellbeing.	Ross Marshall	Annual review	Volunteer and brigade support needs identified and escalated.
12.5	Progress response and recovery resource-sharing arrangements with neighbouring local governments where beneficial.	Nick O'Connor	Annual review	Resource-sharing options documented or agreements maintained.

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Reporting notes

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SR-13: Non-compliance with relevant laws, regulations, and compliance standards including work health & safety.

Objective area	Performance	Outcome no.	2 - A well respected, professionally run organisation.
Risk owner	Loren Clifford	Consequence categories	Compliance/Legal, Environment, Financial, Health & Safety, Property, Reputational, Service Interruption

Key causes and consequences

Key causes	Key consequences
• Change management and associated conflicts • Staff turnover • Inconsistant communication / engagement / collaboration across the organisation / SILO operations • Outdated documentation (e.g. policies, procedures, forms) • Inefficient business systems • Paper-based, manual processes	• Impact on organisational performance (e.g. industrial relations activity, loss of resources) • Reputation damage / Impact of public confidence in the shire (investigations, inquries, appointment of commissioner etc.) • Worker Injury • Financial cost increases (e.g. Insurance Premiums, Prosecutions) • Personal liability (for WHS failure) • Breakdown in relationship between council and administration

Existing controls

• Worker Inductions	• Organisational vision and values
• Attain - Compliance Management Software	• Annual delegations review
• Policy and procedure review	• Internal Audits
• Regulation 5 and 17 Reviews and CAR	• Financial Audits
• Safety documentation and processes (e.g. Safety Manuals,	• Procedures, Methods, Forms)
• Health and Safety Representative Committee	• Hazard Inspections and audits
• WHS Support Team (2 FTE)	• Operational WHS Risk Register

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• Subcriptions e.g., WA Legislation RSS Notifications, WALGA, LG	• Pro, DLGRIS

Risk treatment actions

Ref	Treatment/action	Lead/support	Timing	Success measure / KRI
13.1	Continue maintain a compliance calendar that identifies responsible officers, evidence requirements, due dates and escalation triggers.	Loren Clifford	Quarterly review	Compliance register maintained and overdue items escalated.
13.2	Implement role-based compliance training and awareness programs.	Nick O'Connor	As Required	100% of identified compliance training completed by relevant staff.
13.3	Populate the corporate compliance calendar with compliance obligations from all business areas.	Loren Clifford	Ongoing	Compliance calendar implemented with all known compliance obligations captured and assigned.
13.4	Report compliance status, breaches, audit findings and improvement actions to Executive and ARIC.	Loren Clifford	Quarterly	Compliance updates provided to Executive/ARIC.
13.5	Review, update and develop key procedures to support compliance with legislative, regulatory and policy requirements.	Loren Clifford	Ongoing	Priority procedures reviewed and implemented, with no significant compliance gaps identified.

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SR-14: Substantial or major loss or corruption of records or data

Objective area	Performance	Outcome no.	2 - A well respected, professionally run organisation.
Risk owner	Loren Clifford	Consequence categories	Compliance/Legal, Financial, Reputational, Service Interruption

Key causes and consequences

Key causes	Key consequences
• Inadequate records and information management governance or frameworks • Failure or unavailability of core ICT systems or infrastructure • Insufficient data backup, disaster recovery or restoration arrangements • Cyber security incidents such as malware, ransomware or unauthorised access • Poor records management practices or non-compliance with retention requirements • Human error, accidental deletion or improper handling of records and data	• Inability to demonstrate compliance or defend decisions • Disruption to service delivery and business operations • Legal, regulatory or statutory non-compliance • Financial loss and recovery costs • Loss of corporate knowledge and historical records • Reputational damage and loss of community trust

Existing controls

• Records Keeping Plan	• Electronic Document and Records Management System (EDRMS)
• Information Security and Cyber Security Controls	• Data Backup, Disaster Recovery and System Restoration Arrangements
• Records Retention, Disposal and Archiving Schedules	• Access Controls and User Permission Management
• Staff Training and Awareness in Records and Information Management	• Audit, Compliance Monitoring and Assurance Activities

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Risk treatment actions

Ref	Treatment/action	Lead/support	Timing	Success measure / KRI
14.1	Review and update the Records Keeping Plan.	Loren Clifford	30 June 2027	Records Keeping Plan reviewed, approved and implemented.
14.2	Test backup, restoration and disaster recovery arrangements for core systems and records/data repositories.	Loren Clifford	Annual test	Test results, issues and remediation actions documented.
14.3	Review access controls, permissions and segregation of duties for key systems and information repositories.	Loren Clifford	Six-monthly	Access reviews completed and exceptions resolved.
14.4	Deliver staff training and quick reference guidance for records capture, retention, disposal, privacy and information handling.	Loren Clifford	Annual/induction	Training completion and compliance checks recorded.
14.5	Continue implementation of the PRIS compliance program, including policies, procedures, training and systems.	Loren Clifford	Ongoing to 30 June 2027	Key PRIS compliance milestones achieved and implemented.
14.6	Deploy Microsoft Purview to all users.	Loren Clifford	30 June 2027	Purview licences assigned and deployed to all eligible users.

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SR-15: Ageing / sub-standard assets requiring renewal, upgrade and maintenance, Infrastructure and assets do not meet community needs or fail prematurely

Objective area	Performance Place	Outcome no.	2 - A well respected, professionally run organisation. 6 - The built environment is responsibly planned and well maintained. 7 - Heritage assets are valued and respected.
Risk owner	Colin Young	Consequence categories	Community, Compliance/Legal, Financial, Health & Safety, Property, Service Interruption

Key causes and consequences

Key causes	Key consequences
• Construction traffic associated with development and growth accelarating the deterioration of the road assets. • Ageing assets • Insufficient funding including a lack of asset replacement funding • Large number of assets compared to rates base	• Poor livability outcomes for new or existing communities • Unsafe assets • Decrease in community cohesion • Poor levels of service • Perception that uneven resource distribution by the shire • Reputation damage

Existing controls

• Asset Management Plans incorporating forward works plans	• Asset Management Strategy
• Condition survey program for each asset class	• Long Term Financial Plan

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• Property Management Framework	• Incorporating the direction of the financial sustainability review
• Rating Strategy	• Annual strategic financial report to Council (budget setting process)
• Seek grant funding to assist in asset upgrades	• Asset Register and Finance System

Risk treatment actions

Ref	Treatment/action	Lead/support	Timing	Success measure / KRI
15.1	Continue asset optimisation initiatives to ensure Shire assets are fit for purpose, financially sustainable and aligned with community needs.	Nick O'Connor	Ongoing	Asset optimisation program actions completed and reported to Council.
15.2	Promote asset sharing opportunities between community groups to maximise utilisation and reduce duplication of infrastructure.	Colin Young	Ongoing	Increased number of shared-use arrangements or community asset partnerships established.
15.3	Improve the quality, accuracy and completeness of asset data to support evidence-based asset management and renewal planning.	Colin Young	30 June 2027	Priority asset data reviewed and updated, with asset condition and lifecycle information available for decision-making.

Reporting notes

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SR-16: Inability to keep up with continually evolving ICT environment impacting the management of the organisation's ICT Controls, security, and digital transformation

Objective area	Performance	Outcome no.	11 - Strong, visionary leadership. 2 - A well respected, professionally run organisation.
Risk owner	Loren Clifford	Consequence categories	Compliance/Legal, Financial, Health & Safety, Reputational, Service Interruption

Key causes and consequences

Key causes	Key consequences
• Rapid advancements and evolution in technology outpacing the organisation's ability to adapt including hardware, software and best • practises. • Lack of established guiding principles for all ICT and software decisions • Lack of standard Change Management Process for all core system and process changes • Lack of integration within business units to develop better system functional knowledge • Insufficient funding / budgetary constraints	• Impact on organisational performance and efficiency • Increased risk of cyber incidents (eg data / privacy breaches, randomware attacks) • Reputational damage (e.g. impacts on customer service delivery, data integrity, digital expectations, loss of trust) • Financial loss from cyber attacks • Increased operational costs due to reactive rather than proactive maintenance • Poor user experience for staff and customer to due to slow or unreliable systems

Existing controls

• Cyber Security framework adherence (Australian Cyber Security Centre Essential Eight) and-government/essential-cybersecurity /essential-eight	• Policies for Information Security & Risk Management - TBD

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• ICT Risk Register	• ICT Strategic Plan - TBD
• ICT Disaster Recovery Plan	• Monitoring of Security Event Logs (Security Information & Event Management/ SIEM tool) and response through a SOC (Security Operations Centre)
• Change Management (Framework for ICT) - TBD	• Cloud Management/Cloud first approach including Cloud Migration Strategy TBD
• Business Continuity Planning	• Asset lifecycle management plan (TBD)
• Regular ICT auditing including penetration testing	• Regular reviews of technical documentation and process including BOPs, policies, work instructions and QRGs

Risk treatment actions

Ref	Treatment/action	Lead/support	Timing	Success measure / KRI
16.1	Adopt and implement a staged ICT Strategy roadmap focused initially on governance, cyber security, risk management and core system resilience.	Loren Clifford	Quarterly review	ICT roadmap endorsed, prioritised and reported.
16.2	Maintain an ICT Risk Register aligned to the Strategic Risk Register, Essential Eight maturity and key vendor/system risks.	Loren Clifford	Quarterly	ICT risks, controls and treatments reviewed.
16.3	Implement an ICT change management process for core systems, integrations and major configuration changes.	Loren Clifford	Within governance uplift program	Material ICT changes documented, approved and reviewed.
16.4	Develop and maintain an ICT asset lifecycle and software register, including unsupported systems and renewal priorities.	Loren Clifford	Six-monthly review	Lifecycle risks and renewal priorities reported.
16.5	Schedule cyber maturity, penetration testing, backup restoration and disaster recovery testing.	Loren Clifford	Annual program	Testing completed, findings actioned and reported.

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Ref	Treatment/action	Lead/support	Timing	Success measure / KRI
16.6	Develop practical AI, data and digital governance guidance for staff to reduce accuracy, privacy, security and accountability risks.		Within governance uplift program	Guidance issued and staff awareness completed.

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