

# **Audit, Risk & Improvement Commtee Meeting Minutes**

*16 December 2025*

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## **SHIRE OF DALWALLINU**

**MINUTES** of the Audit, Risk and Improvement Committee Meeting of Council held in the Council Chambers, Shire Administration Centre, Dalwallinu on Tuesday 16 December 2025.

### **1 OPENING & ANNOUNCEMENT OF VISITORS**

The Chairperson opened the meeting at 4:02pm.

### **2 ANNOUNCEMENTS OF PRESIDING MEMBER**

Nil

### **3 ATTENDANCE RECORD**

#### **3.1 Present**

Mr I Hyde  
Cr KL Carter  
Cr SC Carter  
Cr S Dawson

Chief Executive Officer      Ms JM Knight  
Manager Corporate Services      Mrs HK Jolly

#### **3.2 Apologies**

Cr MM Harms  
Mr N Wallis

#### **3.3 Leave of Absence Previously Granted**

Nil

### **4 DECLARATIONS OF INTEREST**

Nil

### **5 MINUTES OF PREVIOUS MEETINGS**

#### **5.1 Audit & Risk Management Committee Meeting – 18 March 2025**

#### **MOTION**

Moved      Cr SC Carter

Seconded      Cr KL Carter

That the Minutes of the Audit & Risk Management Committee Meeting held on the 18 March 2025 be confirmed.

**CARRIED 4/0**

**For:**      Mr IW Hyde, Cr KL Carter, Cr SC Carter, Cr S Dawson

**Against:**      Nil



## 6 REPORTS

### 6.1 Audit, Risk and Improvement Committee Terms of Reference\*

|                                   |   |
|-----------------------------------|---|
| <b>Report Date</b>                | 16 December 2025                        |
| <b>Applicant</b>                  | Shire of Dalwallinu                     |
| <b>File Ref</b>                   | GO/12 – Councillor Committees           |
| <b>Previous Meeting Reference</b> | Nil                                     |
| <b>Prepared by</b>                | Hanna Jolly, Manager Corporate Services |
| <b>Supervised by</b>              | Jean Knight, Chief Executive Officer    |
| <b>Disclosure of interest</b>     | Nil                                     |
| <b>Voting Requirements</b>        | Simple Majority                         |
| <b>Attachments</b>                | Terms of Reference March 2025           |

#### **Purpose of Report**

The Audit Committee is requested to acknowledge the new Audit, Risk and Improvement Committee Terms of Reference.

#### **Background**

The *Local Government Act 1995* and the *Local Government Amendment Act 2024* have introduced changes to enhance governance, transparency, and accountability in local government operations. Key changes include mandatory establishment of an Audit, Risk and Improvement Committee (ARIC) and the requirement for independent leadership of the committee.

To meet the compliance, new Terms of Reference document was adopted by the Council in the March 2025 Ordinary Council Meeting. Previous Audit and Risk Management Committee is now known as Shire of Dalwallinu Audit, Risk and Improvement Committee.

#### **Consultation**

Chief Executive Officer

#### **Legislative Implications**

##### State

*Local Government Act 1995 s5.8, 7.1A and 7.1B and clause 69 of Schedule 9.3, Division, which mandate ARIC establishment and independent leadership.*

*Local Government Amendment Act 2024*

#### **Policy Implications**

Nil

#### **Financial Implications**

Nil

#### **General Function Implications**

Nil

#### **Strategic Implications**

*Shire of Dalwallinu Council Plan 2025-2025*

Outcome 11 – Visionary leadership and responsible governance



### Site Inspection

Site inspection undertaken: Not applicable

### Sustainability & Climate Change Implications

#### Economic implications

There are no known significant economic implications associated with this proposal.

#### Social implications

There are no known significant social implications associated with this proposal.

#### Environmental implications

There are no known significant environmental implications associated with this proposal.

### Officer Comment

The proposed amendments to the Terms of Reference are necessary to meet the legislative requirements and support the Shire's commitment to good governance. The amended Terms of Reference for the proposed Audit, Risk and Improvement Committee are attached to this report.

### Officer Recommendation/Committee Resolution

#### **MOTION**

Moved            Cr KL Carter  
Seconded       Cr S Dawson

That the Audit, Risk and Improvement Committee acknowledges the Terms of Reference adopted by Council in March 2025.

**CARRIED 4/0**

**For:**            Mr IW Hyde, Cr KL Carter, Cr SC Carter, Cr S Dawson  
**Against:**    Nil



# Audit, Risk and Improvement Committee Charter and Terms of Reference

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This charter document defines the membership, authority, purpose, operational guidelines, responsibilities and resources of the Shire of Dalwallinu Audit and Risk Management Committee, established by Council pursuant to Division A1, Section 7.1A of the *Local Government Act 1995* (the Act) and the *Local Government (Audit) Regulations 1996* and *Local Government Amendment Act 2024*.

## 1. NAME

The name of the Committee shall be the Shire of Dalwallinu Audit, Risk and Improvement Committee, hereinafter referred to in its abbreviated form as the Committee.

## 2. ESTABLISHMENT

The Committee is established pursuant to Part 7 Division 1A of the Act.

## 3. DISTRICT

The Committee shall operate with the local government boundaries of the Shire of Dalwallinu.

## 4. GUIDING PRINCIPLES

This Committee is established with the guiding principles in accordance with *Local Government Act 1995* part 5, Division 2 & Part 7, *Local Government (Audit) Regulations 1996* and *Local Government Amendment Act 2024*.

## 5. OBJECTIVES

The primary objective of the Audit and Risk Management Committee is to accept responsibilities for the annual external audit and liaise with the Shire's auditor so that Council can be satisfied with the performance of the Shire of Dalwallinu (the Shire) in managing its financial affairs.

Reports from the Committee will assist Council in discharging its legislative responsibilities of controlling the Shire's affairs, determining the Shire's policies and overseeing the allocation of its finance and resources. The Committee will ensure openness in the Shire's financial reporting and

will liaise with the CEO to ensure the effective and efficient management of the Shire's financial accounting systems and compliance with legislation.

The Committee is to facilitate:

- the enhancement of the credibility and objectivity of internal and external financial reporting;
- effective management of financial and other risks and the protection of Shire assets;
- compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;
- the coordination of the internal audit function with the external audit; and
- the provision of an effective means of communication between the external auditor, internal auditor, the CEO and the Council.

## 6. DUTIES AND RESPONSIBILITIES

The duties and responsibilities of the Committee will be –

### 6.1 External Audits

- 1 Provide guidance and assistance to Council as to carrying out the functions of the local government in relation to auditors;
- 2 Meet with the auditor once in a year to provide a report to Council on the matters discussed and outcome of these discussions;
- 3 Liaise with the CEO to ensure that the local government does everything in its power to -
  - Assist the auditor to conduct the audit and carry out his or her other duties under the act; and
  - Ensure that audits are conducted successfully and expeditiously;
- 4 Examine the reports of the auditor after receiving a report from the CEO on the matters to -
  - Determine if any matters raised require action to be taken by the Shire; and
  - Ensure that appropriate action is taken in respect of those matters;
- 5 Review the report prepared by the CEO on any actions taken in respect of any matters raised in the report of the Auditor and presenting the report to Council for adoption prior to the end of the next financial year or 6 months after the last report prepared by the auditor is received, whichever is the latest in time.

### 6.2 Internal Audits

- 1 Review the scope of the audit plan and program and its effectiveness;
- 2 Review the appropriateness of special internal audit assignments undertaken by internal audit at the request of Council or CEO;
- 3 Review the level of resources allocated to internal audit and the scope of its authority;
- 4 Review reports of internal audits and by monitoring the implementation of recommendations made by the audit and reviewing the extent to which Council and management reacts to matters raised;
- 5 Facilitate liaison between the internal and external auditor to promote compatibility, to the extent appropriate, between their audit programs;
- 6 Review the annual Compliance Audit Return and report to the Council the results of that review.





### 6.3 Risk Management

- 1 Monitor the risk exposure of the Shire by determining if management has appropriate risk management processes and adequate management information systems;
- 2 Review the CEO's report on the appropriateness and effectiveness of the local government's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the committee, and report the results or their consideration of that review to Council;
- 3 Monitor the progress of any major lawsuits facing the Council/Shire;
- 4 Monitor ethical standards and related party transactions by determining whether the systems of control are adequate and appropriate;
- 5 Review issues relating to national competition policy, financial report by Shire business units and comparative performance indicators.

### 6.4 Business Continuity

- 1 Ensure a sound and effective approach has been followed in establishing the Shire's business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically updated and tested;
- 2 Oversee the periodic review of the Business Continuity Framework.

### 6.5 Financial Reporting

- 1 Review the Shire's draft annual financial report, focusing on –
  - Accounting policies and practices;
  - Changes to accounting policies and practices;
  - The process used in making significant accounting estimates;
  - Significant adjustments to the finance report (if any) arising from the audit process;
  - Compliance with accounting standards and other reporting requirements; and
  - Significant variance from prior years.
- 2 Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation but before the annual report is signed.

### 6.6 Internal Control

- 1 Ensure managements approach to maintaining an effective Internal Control Framework is sound and effective;
- 2 Ensure management has in place relevant policies and procedures, including CEO's instructions or their equivalent, and that these are periodically reviewed and updated;
- 3 Ensure appropriate processes are in place to assess, at least once a year, whether key policies and procedures are complied with;
- 4 Ensure appropriate policies and supporting procedures are in place for the management and exercise of delegations.

### 6.7 Fraud & Corruption Prevention

- 1 Review the Shire's fraud control arrangements to assist Council in ensuring it has appropriate processes and systems in place to detect, capture and effectively respond to fraud and improper activities;



- 2 Receive and consider information and advice presented by the CEO on the strategies and controls to manage fraud and corruption risks at the Shire;
- 3 Provide oversight over the Shire's exposure and issues raised in relation to fraud and corruption.

#### **6.8 Other Responsibilities**

- 1 Address issues brought to the attention of the committee, including responding to requests from Council for advice that are within the parameters of the committee's term of reference;
- 2 Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's term of reference following authorisation from Council.

### **7. MEMBERSHIP**

Membership of the Committee will be appointed by absolute majority decision of Council. The Committee must have minimum five (5) members including three (3) Councillors, one (1) independent presiding Member and one (1) Independent Deputy Presiding member. The Independent Presiding Member will chair the meetings.

Neither the Chief Executive Officer nor any other employee of the Local Government can be a member of the Committee.

### **8. MEETINGS**

#### **8.1. Annual General Meeting**

Nil

#### **8.2. Committee Meetings**

The Audit, Risk and Improvement Committee shall meet at least ~~once every three months~~ three (3) times per year. A schedule of meetings will be developed and agreed to by the members. As a guide, meetings will be arranged to coincide with Council reporting deadlines, for example, in February / March to discuss the Statutory Compliance Return and in October to December to receive, authorise the draft annual report including the financial statements prior to its submission to the Minister and meet with the auditors. Additional meetings will be scheduled on an as needed basis.

#### **8.3. Quorum**

The Quorum for any meeting of the Committee is at least 50% of the number of member positions prescribed on the Committee, whether vacant or not, which equates to three (3) members being present to constitute a quorum.

#### **8.4. Voting**

Shall be in accordance with Sections 5.201 and 7.1C of the Act, with all members of the Committee entitled and required to vote (subject to financial and proximity interest provisions of the Act).

#### **8.5. Minutes**

Shall be in accordance with the Act, Section 5.22.



#### **8.6. Presiding Person**

Independent Presiding Person and Independent Deputy Presiding Person will be advertised and asked to submit an expression of interest. The independent presiding members must be a person who is not a council member of a local government or an employee of the local government.

#### **8.7. Who acts if no presiding member?**

Shall be in accordance with the Act, Section 5.14

#### **8.8. Meetings**

Meetings are not open to the public as the Committee does not have delegated power or duty.

#### **8.9. Members Conduct**

Members of the Committee are bound by the:

- Provision of Section 5.65 of the *Local Government Act 1995*;
- Shire of Dalwallinu Standing Orders Local Laws 2014;
- Shire of Dalwallinu Code of Conduct;
- *Local Government (Model Code of Conduct) Regulations 2021*; and
- Clause 34C of the *Local Government (Administration) Regulations 1996*.

With respect to their conduct and duty of disclosures of financial, proximity or impartiality interests, to the extent stated, dependent upon whether they are a Councillor, Employee of Local Government or a Community Member (community members are not bound to declare impartiality interest, unlike Councillors and Employees of Local Government nor are they bound by the Rules of Conduct Legislation).

#### **8.10. Secretary**

The Executive Assistant or that Officer's nominee will fulfil the role of non- voting secretary who will be responsible for preparation and distribution of agendas and minutes.

#### **8.11. Meeting Attendance Fees**

Nil

#### **8.12. Reporting**

The Committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference. This is in order to facilitate informed decision making by Council in relation to the legislative functions and duties of local government that have not been delegated to the CEO.

Decisions of the Committee are to be made by simple majority.

Reports and recommendations of each Committee meeting requiring a resolution of Council shall be presented to the next ordinary meeting of Council or the first ordinary meeting of Council practicable.

### **9. DELEGATED AUTHORITY TO THE COMMITTEE**

No Delegation



## 10. STRATEGIC ALIGNMENT

The specific tasks and actions undertaken by this committee will assist the Shire of Dalwallinu in achieving the following aspirations and objectives as contained within the Strategic Community Plan.

**Objective: Strategic alliance to best serve Dalwallinu**

|       |   |
|-------|---|
| 4.4.5 | Strive to ensure “best practice” local governance is maintained |
|-------|---|

UNCONFIRMED



## 6.2 Shire of Dalwallinu Audit, Risk and Improvement Committee Risk Dashboard Report\*

|                                   |  |
|-----------------------------------|--|
| <b>Report Date</b>                | 16 December 2025   |
| <b>Applicant</b>                  | Shire of Dalwallinu                                      |
| <b>File Ref</b>                   | FM/9 – Financial Management – Financial Reporting        |
| <b>Previous Meeting Reference</b> | Nil  |
| <b>Prepared by</b>                | Hanna Jolly, Manager Corporate Services                  |
| <b>Supervised by</b>              | Jean Knight, Chief Executive Officer                     |
| <b>Disclosure of interest</b>     | Nil  |
| <b>Voting Requirements</b>        | Simple Majority  |
| <b>Attachments</b>                | Shire of Dalwallinu Risk Dashboard Report September 2025 |

### Purpose of Report

The Audit, Risk and Improvement Committee is requested to note the actions in the Risk Dashboard Report for September 2025.

### Background

It is essential to monitor and review the management of risks as changing circumstances may result in some risks increasing or decreasing in significance. By regularly reviewing the effectiveness and efficiency of control and appropriateness of treatment/action, it can be determined if the organisation's resources are being put to the best use possible.

### Consultation

Chief Executive Officer

### Legislative Implications

#### State

*Local Government (Audit) Regulations 1996 s16 and s17*

### Policy Implications

Nil

### General Function Implications

Nil

### Financial Implications

Nil

### Strategic Implications

*Shire of Dalwallinu Council Plan 2025-2025*

Outcome 11 – Visionary leadership and responsible governance

### Site Inspection

Site inspection undertaken: Not applicable



## **Sustainability & Climate Change Implications**

### Economic implications

There are no known significant economic implications associated with this proposal.

### Social implications

There are no known significant social implications associated with this proposal.

### Environmental implications

There are no known significant environmental implications associated with this proposal.

## **Officer Comment**

The Risk Dashboard Report shows a snapshot of our current recognised risks and the current issues, actions and treatments for each risk. Following the snapshot is a detailed description of each risk and the potential causes, key controls and indicators for each risk.

This report is provided to the Audit, Risk and Improvement Committee to ensure that the organisation is monitoring and controlling all risks.

## **Officer Recommendation/Committee Resolution**

### **MOTION**

Moved Cr S Dawson

Seconded Cr KL Carter

That the Audit, Risk and Improvement Committee receives the Risk Dashboard Report for September 2025.

**CARRIED 4/0**

**For:** Mr IW Hyde, Cr KL Carter, Cr SC Carter, Cr S Dawson

**Against:** Nil



# Shire of Dalwallinu

## Risk Dashboard Report

### Sep-25

| <u>Misconduct</u>                                      |          | Risk           | Control   |
|--|----------|----------------|-----------|
|  |          | Low            | Effective |
| Current Issues/Actions/Treatments                      | Due Date | Responsibility |           |
| Review Purchasing Policy and Procurement Process       | Mar-26   | CEO/MCS        |           |
| Review and Document Organisations Controls and Systems | Ongoing  | CEO/MCS        |           |
| Centralise Checklists, Controls and Procedures         | Ongoing  | CEO/MCS        |           |

| <u>Business Disruption</u>  |          | Risk           | Control   |
|---|----------|----------------|-----------|
|   |          | High           | Effective |
| Current Issues/Actions/Treatments                                 | Due Date | Responsibility |           |
| Review Business Continuity Plan - Council Agenda March 2024       | Mar-27   | CEO            |           |
| Admin Generator maintained and serviced quarterly (if not active) | Dec-25   | WS             |           |

| <u>Errors, omissions, delays</u>         |          | Risk           | Control   |
|--|----------|----------------|-----------|
|  |          | Moderate       | Effective |
| Current Issues/Actions/Treatments        | Due Date | Responsibility |           |
| Procedure Manuals to be tested regularly | Ongoing  | MCS            |           |

| <u>Failure to fulfil statutory, regulatory or compliance requirements</u> |          | Risk           | Control   |
|---|----------|----------------|-----------|
|   |          | Low            | Effective |
| Current Issues/Actions/Treatments   | Due Date | Responsibility |           |
| Corporate Governance Calendar Checklist to be monitored monthly           | Ongoing  | CEO            |           |

| <u>Inadequate Project/Change Management</u> |          | Risk           | Control   |
|---|----------|----------------|-----------|
|   |          | Moderate       | Effective |
| Current Issues/Actions/Treatments           | Due Date | Responsibility |           |

| <u>Inadequate Document Management Processes</u>          |          | Risk           | Control  |
|--|----------|----------------|----------|
|  |          | Moderate       | Adequate |
| Current Issues/Actions/Treatments                        | Due Date | Responsibility |          |
| Undertake monthly records audits                         | Monthly  | MCS/FO         |          |
| Annual Refresher for all Employees on Records Management | Jun-26   | CEO            |          |

| <u>External Theft &amp; Fraud</u>                                    |          | Risk           | Control   |
|--|----------|----------------|-----------|
|  |          | Moderate       | Effective |
| Current Issues/Actions/Treatments                                    | Due Date | Responsibility |           |
| Review Fraud & Corruption Control Plan (review undertaken Sept 2024) | Sep-27   | CEO            |           |
| Review Key Register Quarterly - locked cabinets installed Oct 2025   | Mar-26   | TSO            |           |

| <u>Damage to Physical Assets</u>                             |          | Risk           | Control   |
|--|----------|----------------|-----------|
|  |          | Moderate       | Effective |
| Current Issues/Actions/Treatments                            | Due Date | Responsibility |           |
| All plant to have prestarts before each use or as instructed | Ongoing  | All Staff      |           |

| <u>Failure of IT &amp;/or Communications Systems and Infrastructure</u> |          | Risk           | Control   |
|---|----------|----------------|-----------|
|   |          | Moderate       | Effective |
| Current Issues/Actions/Treatments                                       | Due Date | Responsibility |           |
| Staged migration from Synergy to Maqic commencing 25-26                 | Ongoing  | MCS            |           |

| <u>Providing inaccurate advice/information</u> |          | Risk           | Control   |
|--|----------|----------------|-----------|
|  |          | Moderate       | Effective |
| Current Issues/Actions/Treatments              | Due Date | Responsibility |           |

| <u>Inadequate Organisation and Community Emergency Management</u> |          | Risk           | Control  |
|---|----------|----------------|----------|
|   |          | Moderate       | Adequate |
| Current Issues/Actions/Treatments                                 | Due Date | Responsibility |          |
| Lack of resources in LG   |          | CEO            |          |

| <u>Work Health &amp; Safety</u>                                   |          | Risk           | Control  |
|---|----------|----------------|----------|
|   |          | Moderate       | Adequate |
| Current Issues/Actions/Treatments                                 | Due Date | Responsibility |          |
| Check all contractors have been inducted prior to commencing work | ongoing  | Management     |          |

# Shire of Dalwallinu

## Risk Dashboard Report

### Sep-25

| <u>Inadequate engagement of Community/Stakeholders/Elected Members</u>            |          | Risk            | Control         |
|---|----------|-----------------|-----------------|
|   |          | <b>Moderate</b> | <b>Adequate</b> |
| Current Issues/Actions/Treatments   | Due Date | Responsibility  |                 |
| Review Communication Plan (every two years) - Last Review June                    | May-27   | CEO             |                 |
| Review Community Engagement Plan (every two years) - Last Review June 2025 M10427 | May-27   | CEO             |                 |
|   |          |                 |                 |

| <u>Inadequate Asset Management</u>  |           | Risk            | Control         |
|---|-----------|-----------------|-----------------|
|   |           | <b>Moderate</b> | <b>Adequate</b> |
| Current Issues/Actions/Treatments   | Due Date  | Responsibility  |                 |
| Maintain training register  | Ongoing   | MWS             |                 |
| Organise SOP's to be completed for all plant and equipment - all completed May 2025 | Completed | MWS             |                 |
| Develop and maintain footpath plan for Dalwallinu and Kalannie townsites            | Completed | MWS             |                 |

| <u>Inadequate Natural Environmental Management</u> |          | Risk            | Control         |
|--|----------|-----------------|-----------------|
|  |          | <b>Moderate</b> | <b>Adequate</b> |
| Current Issues/Actions/Treatments                  | Due Date | Responsibility  |                 |
|  |          |                 |                 |
|  |          |                 |                 |
|  |          |                 |                 |

| <u>Inadequate supplier/Contract Management</u> |          | Risk            | Control         |
|--|----------|-----------------|-----------------|
|  |          | <b>Moderate</b> | <b>Adequate</b> |
| Current Issues/Actions/Treatments              | Due Date | Responsibility  |                 |
|  |          |                 |                 |
|  |          |                 |                 |
|  |          |                 |                 |

| <u>Ineffective management of Facilities/Venues/Events</u> |          | Risk            | Control          |
|---|----------|-----------------|------------------|
|   |          | <b>Moderate</b> | <b>Effective</b> |
| Current Issues/Actions/Treatments                         | Due Date | Responsibility  |                  |
| Develop Event Management Framework - Not completed        | Sep-23   | MPDS            |                  |
| Booking forms, facility checks completed for each hire    | Ongoing  | CSO/MCS         |                  |
|   |          |                 |                  |

| <u>Inadequate Procurement, Disposal or Tender Practices</u> |          | Risk            | Control         |
|---|----------|-----------------|-----------------|
|   |          | <b>Moderate</b> | <b>Adequate</b> |
| Current Issues/Actions/Treatments                           | Due Date | Responsibility  |                 |
| Annual Review of Purchasing Policy                          | Mar-26   | CEO             |                 |
| Annual Review of Tender Register                            | Jun-26   | EA              |                 |
|   |          |                 |                 |

| <u>Inadequate Financial, Accounting or Business Acumen</u> |          | Risk            | Control         |
|--|----------|-----------------|-----------------|
|  |          | <b>Moderate</b> | <b>Adequate</b> |
| Current Issues/Actions/Treatments                          | Due Date | Responsibility  |                 |
|  |          |                 |                 |
|  |          |                 |                 |
|  |          |                 |                 |

| <u>Inadequate Stock Management</u>     |          | Risk            | Control         |
|--|----------|-----------------|-----------------|
|  |          | <b>Moderate</b> | <b>Adequate</b> |
| Current Issues/Actions/Treatments      | Due Date | Responsibility  |                 |
| Monthly Stocktake for fuel & bulk oils | Monthly  | MCS/FO          |                 |
|  |          |                 |                 |
|  |          |                 |                 |

| <u>Ineffective People Management</u>                            |          | Risk            | Control          |
|---|----------|-----------------|------------------|
|   |          | <b>Moderate</b> | <b>Effective</b> |
| Current Issues/Actions/Treatments                               | Due Date | Responsibility  |                  |
| Review Performance Appraisal documentation - done annually in M | Mar-26   | CEO             |                  |
| Review Workforce Plan - Council July 2024 (CEO review 2025)     | Jun-26   | CEO             |                  |
|   |          |                 |                  |

| <u>Not meeting Community expectations</u>                       |          | Risk            | Control          |
|---|----------|-----------------|------------------|
|   |          | <b>Moderate</b> | <b>Effective</b> |
| Current Issues/Actions/Treatments                               | Due Date | Responsibility  |                  |
| Conduct Community Satisfaction Survey - Survey Completed Oct 20 | Dec-26   | CEO             |                  |
|   |          |                 |                  |
|   |          |                 |                  |



Intentional activities in excess of authority granted to an employee, which circumvent endorsed policies, procedures or delegated authority. This would include instances of:

- Relevant authorisations not obtained.
- Distributing confidential information.
- Accessing systems and / or applications without correct authority to do so.
- Misrepresenting data in reports.
- Theft by an employee
- Inappropriate use of plant, equipment or machinery
- Inappropriate use of social media.
- Inappropriate behaviour at work.
- Purposeful sabotage

*This does not include instances where it was not an intentional breach - refer Errors, Omissions or Delays, or Inaccurate Advice / Information.*

**Potential causes include;**

|   |  |
|---|--|
| Inadequate training of code of conduct \ induction        | Greed, gambling or sense of entitlement          |
| Changing of job roles and functions/authorities           | Collusion between internal & external parties    |
| Delegated authority process inadequately implemented      | Password sharing                                 |
| Disgruntled employees                                     | Sharing of confidential information              |
| Lack of internal checks                                   | Low level of Supervisor or Management oversight  |
| Covering up poor work performance                         | Believe they'll get away with it                 |
| Poor enforcement of policies and procedures               | Undue influence from Manager / Councillor        |
| Information leaked to Tenderers during the Tender process | Poor work culture                                |
| Insubordination   | By-passing established administrative procedures |

| Key Controls  | Type         |  | Rating    |
|---|--------------|--|-----------|
| Delegated authority for procurement                       | Preventative |  | Effective |
| Delegation control / framework                            | Detective    |  | Effective |
| External Audits   | Detective    |  | Effective |
| Police clearances   | Detective    |  | Effective |
| Annual drivers licence checks                             | Preventative |  | Effective |
| Cash handling policy and procedures                       | Preventative |  | Adequate  |
| IT security access framework (profiles & passwords)       | Preventative |  | Effective |
| Induction Process (Code of Conduct)                       | Preventative |  | Effective |
| Segregation of duties (Financial / I.T.)                  | Preventative |  | Effective |
| Social Media policy                                       | Preventative |  | Effective |
| Strong management culture (Zero tolerance for misconduct) | Preventative |  | Effective |
| Insurance for loss  | Recovery     |  | Effective |

**Overall Control Ratings:** Effective

| Consequence Category | Risk Ratings                 | Rating       |
|----------------------|------------------------------|--------------|
| Reputation / Finance | <b>Consequence:</b>          | Moderate (3) |
|                      | <b>Likelihood:</b>           | Rare (1)     |
|                      | <b>Overall Risk Ratings:</b> | Low          |

| Indicators  | Type    | Benchmark |
|---|---------|-----------|
| Budget variances  | Lagging | 5%        |
| Audit notifications   | Lagging | Zero      |
| Incidents warranting dismissal  | Lagging | Zero      |
| Wilful breach of segregation of duties  | Leading | Zero      |
| Suppliers not being paid or complaints from suppliers (not involved in collusion or bribery with staff) | Lagging | Zero      |
| Disregarding or manipulating procurement process for own benefit  | Leading | Zero      |
| Internal and external complaints (PID)  | Lagging | Zero      |

| Current Issues / Actions / Treatments                  | Due Date | Responsibility |
|--|----------|----------------|
| Review Purchasing Policy and Procurement Process       | Mar-26   | CEO/MCS        |
| Review and Document Organisations Controls and Systems | Ongoing  | CEO/MCS        |
| Centralise Checklists, Controls and Procedures         | Ongoing  | CEO/MCS        |

Loss of funds, assets, data or unauthorised access, (whether attempted or successful) by external parties, through any means (including electronic), for the purposes of;

- Fraud: benefit or gain by deceit
- Malicious Damage: hacking, deleting, breaking or reducing the integrity or performance of systems
- Theft: stealing of data, assets or information

|  |   |
|--|---|
| <b>Potential causes include;</b>               |   |
| Inadequate security of equipment/supplies/cash | Inadequate provision for patrons belongings |
| Robbery  | Lack of supervision                         |
| Scam Invoices                                  | Collusion with intenal staff                |
| Cyber Crime                                    |   |

| Key Controls  | Type         |                | Rating    |
|---|--------------|----------------|-----------|
| Building Security access controls (alarms, CCCTV, keypad access)                  | Preventative |                | Effective |
| Equipment storage security access controls (locked after hours and whne unmanned) | Preventative |                | Effective |
| Cash handling processes   | Preventative | Responsibility | Effective |
| Spare keys in strong room/key cabinet   | Preventative |                | Effective |
| Stringent IT security systems   | Preventative |                | Effective |
| Insurance for loss  | Recovery     |                | Adequate  |
| Photographic record of assets   | Recovery     |                | Effective |
| Care when opening emails with attachments   | Preventative |                | Effective |
| Fraud & Corruption Control Plan   | Preventative |                | Effective |

|                                 |  |  |           |
|---------------------------------|--|--|-----------|
| <b>Overall Control Ratings:</b> |  |  | Effective |
|---------------------------------|--|--|-----------|

| Consequence Category | Risk Ratings                 | Rating       |
|----------------------|------------------------------|--------------|
| Reputation / Finance | <b>Consequence:</b>          | Moderate (3) |
|                      | <b>Likelihood:</b>           | Possible (3) |
|                      | <b>Overall Risk Ratings:</b> | Moderate     |

| Indicators                            | Type    | Benchmark |
|---------------------------------------|---------|-----------|
| Cyber breaches                        | Lagging | Zero      |
| Insurance Claims                      | Lagging | Zero      |
| Number of incidents of theft or fraud | Lagging | Zero      |

| Current Issues / Actions / Treatments                                | Due Date | Responsibility |
|--|----------|----------------|
| Review Fraud & Corruption Control Plan (review undertaken Sept 2025) | Sep-27   | CEO            |
| Review Key Register Quarterly - locked cabinets installed Oct 2025   | Mar-26   | TSO            |

Failure to adequately prepare and respond to events that cause disruption to the local community and / or normal business activities. This could be a natural disaster, weather event, or an act carried out by an external party (e.g. sabotage / terrorism).

This includes;

- Lack of (or inadequate) emergency response / business continuity plans.
- Lack of training for specific individuals or availability of appropriate emergency response.
- Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident.
- Inadequacies in environmental awareness and monitoring of fuel loads, curing rates etc

*This does not include disruptions due to IT Systems or infrastructure related failures - refer "Failure of IT & communication systems and infrastructure".*

|   |                           |                |                |
|---|---------------------------|----------------|----------------|
| Potential causes include;   |                           |                |                |
| Cyclone, storm, fire, earthquake  | Extended utility outage   |                |                |
| Terrorism / sabotage / criminal behaviour                                     | Economic factors          |                |                |
| Epidemic / Pandemic   | Loss of Key Staff         |                |                |
| Loss of suppliers   | Loss of key infratructure |                |                |
| Climate change  |                           |                |                |
| Key Controls  | Type                      |                | Rating         |
| Regular Local and District Emergency Management Committee meeting (LEMC/DEMC) | Detective                 |                | Effective      |
| Community recovery preparation  | Preventative              | Responsibility | Effective      |
| Community fire prevention education   | Preventative              |                | Effective      |
| Current Emergency Management Plan   | Preventative              |                | Effective      |
| Business Continuity Framework   | Preventative              |                | Effective      |
| Generator (Admin centre)  | Recovery                  |                | Adequate       |
| IT Disaster Recovery Plan   | Recovery                  |                | Effective      |
| Insurance for Loss  | Recovery                  |                | Effective      |
| Generator (Rec Centre Precinct)   | Recovery                  |                | Effective      |
| Overall Control Ratings:  |                           |                | Effective      |
| Consequence Category  | Risk Ratings              |                | Rating         |
| Reputation / Finance  | Consequence:              |                | Major (4)      |
|   | Likelihood:               |                | Possible (3)   |
|   | Overall Risk Ratings:     |                | High           |
| Indicators  | Type                      | Benchmark      |                |
| Missed LEMC/DEMC Committee meetings   | Lagging                   | Zero           |                |
| Non Compliance with EM legislation  | Lagging                   | Zero           |                |
| Resignations/terminations of key personnel                                    | Lagging                   |                |                |
|   |                           |                |                |
| Current Issues / Actions / Treatments   |                           | Due Date       | Responsibility |
| Review Business Continuity Plan - Council Agenda March 2024                   |                           | Mar-27         | CEO            |
| Admin Generator maintained and serviced quarterly (if not activated)          |                           | Dec-25         | WS             |

Damage to buildings, property, plant & equipment (all assets) that does not result in a disruption to business objectives (refer Business Disruption). This could be a result of a natural disaster or other events, or an act carried out by an external party (inc graffiti and/or vandalism)

|  |                       |                |                |
|--|-----------------------|----------------|----------------|
| Potential causes include;                                    |                       |                |                |
| Cyclone, storm, fire, earthquake                             |                       |                |                |
| Vandalism  |                       |                |                |
|  |                       |                |                |
| Key Controls   | Type                  |                | Rating         |
| Locking of unmanned areas                                    | Preventative          |                | Effective      |
| CCTV   | Preventative          |                | Effective      |
|  |                       |                | Effective      |
|  |                       | Responsibility | Effective      |
| Overall Control Ratings:                                     |                       |                | Effective      |
| Consequence Category   | Risk Ratings          |                | Rating         |
| Reputation / Finance   | Consequence:          |                | Moderate (3)   |
|  | Likelihood:           |                | Possible (3)   |
|  | Overall Risk Ratings: |                | Moderate       |
| Indicators   | Type                  | Benchmark      |                |
| Damage to Physical Assets                                    | Lagging               | Zero           |                |
|  |                       |                |                |
| Current Issues / Actions / Treatments                        |                       | Due Date       | Responsibility |
| All plant to have prestarts before each use or as instructed |                       | Ongoing        | All Staff      |
|  |                       |                |                |

Errors, omissions or delays in operational activities as a result of unintentional errors or failure to follow due process including incomplete, inadequate or inaccuracies in advisory activities to customers or internal staff. Examples include;

-Incorrect planning, development, building, community safety and Emergency Management advice

-Incorrect health or environmental advice

-Inconsistent messages or responses from Customer Service Staff

-Any advice that is not consistent with legislative requirements or local laws.

-Human error

-Inaccurate recording, maintenance, testing or reconciliation of data.

-Inaccurate data being used for management decision-making and reporting.

-Delays in service to customers

*This excludes process failures caused by inadequate / incomplete procedural documentation - refer "Inadequate Document Management Processes".*

## Potential causes include;

|  |                             |
|--|-----------------------------|
| Human Error  | Incorrect information       |
| Inadequate formal procedures or training                       | Miscommunication            |
| Lack of trained staff  | Work pressure/stress        |
| Poor use of procedures   | Lack of understanding       |
| Unrealistic expectations from community, council or management | Health issues               |
| Poor internal communications between teams                     | Historical decisions/advice |
| Disconnect between financial receipting and systems            | Complex legislation         |
| Changes to legislation   |                             |

| Key Controls   | Type         | Rating    |
|--|--------------|-----------|
| Membership of professional associations  | Detective    | Effective |
| Complaints register  | Detective    | Effective |
| Documented information sheets / website information / FAQ's to assist in providing advice to customers | Preventative | Effective |
| External consultants such as legal   | Preventative | Effective |
| External stakeholder communications (website, news articles)   | Preventative | Effective |
| Staff training program (mentoring, formal & on-the-job)  | Preventative | Adequate  |
| Draw information from other Government agencies (DWER etc)   | Preventative | Effective |
| Complaints resolution process  | Recovery     | Effective |
| Procedure Manuals tested by other Officers   | Preventative | Effective |

**Overall Control Ratings:** **Effective**

| Consequence Category | Risk Ratings                 | Rating       |
|----------------------|------------------------------|--------------|
| Reputation / Finance | <b>Consequence:</b>          | Minor (2)    |
|                      | <b>Likelihood:</b>           | Possible (3) |
|                      | <b>Overall Risk Ratings:</b> | Moderate     |

| Indicators  | Type    | Benchmark |
|---|---------|-----------|
| Referral to Ombudsman/Management/Council  | Lagging | Zero      |
| Substantiated complaints regarding errors, omissions, delays or inaccurate advice/information | Lagging | Zero      |
| Insurance Claims  | Lagging | Zero      |

| Current Issues / Actions / Treatments      | Due Date | Responsibility |
|--|----------|----------------|
| Procedure Manuals to be tested regularly   | Ongoing  | MCS            |
| Review checklists for weekly/monthly tasks | Ongoing  | MCS            |

Instability, degradation of performance, or other failure of IT or communication system or infrastructure causing the inability to continue business activities and provide services to the community. This may or may not result in IT Disaster Recovery Plans being invoked. Examples include failures or disruptions caused by:

- Hardware or software
- Networks
- Failures of IT Vendors

This also includes where poor governance results in the breakdown of IT maintenance such as;

- Configuration management
- Performance monitoring

This does not include new system implementations - refer "Inadequate Project / Change Management".

### Potential causes include;

|  |   |
|--|---|
| Weather impacts  | Non renewal of licenses   |
| Power outage on site or at service provider                | Inadequate IT incidents, problem management & Disaster Recovery Processes |
| Out dated, inefficient or unsupported hardware or software | Lack of process and training  |
| Incompatibility between operating systems                  | Vulnerability of user error   |
| Cyber crime and viruses                                    | Failure of vendor   |
| Turnover of system administration support                  | Equipment purchases without input from IT department                      |
| Software vulnerability                                     |   |

| Key Controls   | Type         | Responsibility | Rating    |
|--|--------------|----------------|-----------|
| Performance monitoring by contractor                   | Detective    |                | Effective |
| Maintenance program                                    | Preventative |                | Effective |
| Formal IT Infrastructure replacement / refresh program | Preventative |                | Effective |
| IT security access protocols and firewalls             | Preventative |                | Effective |
| Service level agreement with contractor / Vendor       | Preventative |                | Effective |
| Disaster Recovery Plan                                 | Recovery     |                | Adequate  |
| Multiple data back-up systems                          | Recovery     |                | Effective |
| Generator  | Recovery     |                | Effective |
| UPS (90min)  | Recovery     |                | Effective |
| Computer/Server/UPS Replacement Plan                   | Preventative |                | Effective |
| Moving Synergy programs to Altus                       | Preventative |                | Adequate  |

|                                 |                  |
|---------------------------------|------------------|
| <b>Overall Control Ratings:</b> | <b>Effective</b> |
|---------------------------------|------------------|

| Consequence Category | Risk Ratings                 | Rating       |
|----------------------|------------------------------|--------------|
| Reputation / Finance | <b>Consequence:</b>          | Major (4)    |
|                      | <b>Likelihood:</b>           | Unlikely (2) |
|                      | <b>Overall Risk Ratings:</b> | Moderate     |

| Indicators   | Type    | Benchmark      |
|--|---------|----------------|
| Cyber breaches   | Lagging | Zero           |
| Non availability of network infrastructure during business hours | Lagging | 1 day per year |
| System downtime  | Lagging | 1 week         |

| Current Issues / Actions / Treatments                                   | Due Date | Responsibility |
|---|----------|----------------|
| Staged migration from Synergy to Maqic commencing 25-26                 | Ongoing  | MCS            |
| **On hold - IT Vision taken over by Readytech. Waiting for a new plan** |          |                |

Failure to correctly identify, interpret, assess, respond and communicate laws and regulations as a result of an inadequate compliance framework. This could result in fines, penalties, litigation or increase scrutiny from regulators or agencies. This includes, new or proposed regulatory and legislative changes, in addition to the failure to maintain updated legal documentation (internal & public domain) to reflect changes. This does not include: Issues in relation to WHS, procurement, HR based legislation

### Potential causes include:

|   |  |
|---|--|
| Lack of training, awareness and knowledge                         | Lack of legal expertise  |
| Staff turnover  | No Compliance Officer or person responsible for Compliance oversight and enforcement |
| Inadequate record keeping/failure of corporate electronic systems | Breakdowns in the tender or procurement process                                      |
| Ineffective policies & processes                                  | Ineffective monitoring of changes to legislation                                     |
| Impulsive decision making   | Attitudinal problems   |
| Councillor turnover   |  |

| Key Controls  | Type         |                | Rating    |
|---|--------------|----------------|-----------|
| Compliance Audit Return (DLGC)                                      | Detective    | Responsibility | Effective |
| External Auditor reviews (compliance)                               | Detective    |                | Effective |
| Membership of professional associations (AIBS, Building Commission) | Detective    |                | Effective |
| Strict tender and procurement process (including eQuotes)           | Preventative |                | Adequate  |
| Compliance framework / calendar & standard operating procedures     | Preventative |                | Effective |
| Subscriptions (WALGA / DLGC / LGMA and other peak bodies)           | Preventative |                | Effective |
| Audit Committee   | Preventative |                | Effective |
| Standardised forms & checksheets                                    | Preventative |                | Adequate  |
| State Administrative Tribunal / Ombudsman                           | Recovery     |                | Adequate  |
| Corporate Governance Calendar Checklist                             | Preventative |                | Effective |

**Overall Control Ratings:**

**Effective**

| Consequence Category | Risk Ratings                 | Rating       |
|----------------------|------------------------------|--------------|
| Reputation / Finance | <b>Consequence:</b>          | Moderate (3) |
|                      | <b>Likelihood:</b>           | Rare (1)     |
|                      | <b>Overall Risk Ratings:</b> | Low          |

| Indicators                                       | Type    | Benchmark |
|--|---------|-----------|
| Internal monitoring of operations and procedures | Leading |           |
| Audit notifications                              | Leading |           |
| Increased scrutiny from regulators or agencies   | Lagging |           |
| Litigation, fines or penalties                   | Lagging |           |

| Current Issues / Actions / Treatments                           | Due Date | Responsibility |
|---|----------|----------------|
| Corporate Governance Calendar Checklist to be monitored monthly | Ongoing  | CEO            |
|   |          |                |

Incomplete, inadequate or inaccuracies in professional advisory activities to customers or internal staff.

|                                       |                       |           |                |
|---------------------------------------|-----------------------|-----------|----------------|
| Potential causes include;             |                       |           |                |
| Unqualified staff                     |                       |           |                |
| Not following procedures              |                       |           |                |
| Key Controls                          | Type                  |           | Rating         |
| Employ qualified Staff                | Preventative          |           | Effective      |
| Ensure staff are following procedures | Preventative          |           | Effective      |
| Overall Control Ratings:              |                       |           | Effective      |
| Consequence Category                  | Risk Ratings          |           | Rating         |
| Reputation / Finance                  | Consequence:          |           | Moderate (3)   |
|                                       | Likelihood:           |           | Possible (3)   |
|                                       | Overall Risk Ratings: |           | Moderate       |
| Indicators                            | Type                  | Benchmark |                |
| Number of Complaints                  | Lagging               | Zero      |                |
|                                       |                       |           |                |
| Current Issues / Actions / Treatments |                       | Due Date  | Responsibility |
|                                       |                       |           |                |
|                                       |                       |           |                |



Inadequate analysis, design, delivery and / or status reporting of change initiatives, resulting in additional expenses, time delays or scope changes. This includes:

- Inadequate change management framework to manage and monitor change activities.
- Inadequate understanding of the impact of project change on the business.
- Failures in the transition of projects into standard operations.
- Failure to implement new systems
- Inadequate handover process

*This does not include new plant & equipment purchases. Refer "Inadequate Asset Sustainability Practices"*

|  |   |
|--|---|
| <b>Potential causes include;</b>           |   |
| Lack of communication and consultation     | Excessive growth (too many projects)                              |
| Lack of investment                         | Inadequate monitoring and review                                  |
| Ineffective management of expectations     | Project risks not managed effectively                             |
| Inadequate project planning                | Loack of project methodology knowledge and reporting requirements |
| Failures of project Vendors/Contractors    | Geographic or transport difficulties sourcing equipment/materials |
| External consultants underquoting on costs | Pandemic - escalating costs and contractor shortage               |

| Key Controls   | Type         |                | Rating    |
|--|--------------|----------------|-----------|
| Post-project debriefs  | Detective    | Responsibility | Adequate  |
| Adhere to formal project management methodology                  | Preventative |                | Not Rated |
| Community engagement policy and framework                        | Preventative |                | Adequate  |
| Preferred list of contractors                                    | Preventative |                | Adequate  |
| Risk assessments are conducted before, during and after handover | Preventative |                | Not Rated |
| Stakeholder meetings and consultation                            | Preventative |                | Effective |
| Follow Project Management Methodology                            | Preventative |                | Effective |
| Implement Risk Assessment Process for all Projects               | Preventative |                | Effective |
| Photos are taken during projects and completed works             | Recovery     |                | Effective |
| Overall Control Ratings:   |              |                | Effective |

| Consequence Category | Risk Ratings          | Rating       |
|----------------------|-----------------------|--------------|
| Reputation / Finance | Consequence:          | Minor (2)    |
|                      | Likelihood:           | Possible (3) |
|                      | Overall Risk Ratings: | Moderate     |

| Indicators                        | Type    | Benchmark |
|-----------------------------------|---------|-----------|
| Missed deadlines/milestones       | Lagging | 10%       |
| Budget overruns/blow outs         | Lagging | 5%        |
| Failed objectives                 | Lagging | Zero      |
| Deviations from the project scope | Lagging | Zero      |

| Current Issues / Actions / Treatments | Due Date | Responsibility |
|---------------------------------------|----------|----------------|
|                                       |          |                |
|                                       |          |                |

Failure to adequately conduct Prevention, Preparation, Response and Recovery (PPRR) in the organisation structure and community elements, inclusive of the management of all emergencies.

Potential causes include:

|  |  |
|--|--|
| Lack of (or inadequate) emergency response plans   | Failure in command and control functions as a result of incorrect initial assessment or untimely awareness of incident |
| Lack of training to specific individuals or availability of appropriate emergency response | Inadequacies in environmental awareness of fuel loads, curing rates etc  |

| Key Controls            | Type         |  | Rating    |
|-------------------------|--------------|--|-----------|
| Response Plans reviewed | Preventative |  | Adequate  |
| Training for Staff      | Preventative |  | Not Rated |

|                          |          |
|--------------------------|----------|
| Overall Control Ratings: | Adequate |
|--------------------------|----------|

| Consequence Category | Risk Ratings          | Rating       |
|----------------------|-----------------------|--------------|
| Reputation / Finance | Consequence:          | Minor (2)    |
|                      | Likelihood:           | Possible (3) |
|                      | Overall Risk Ratings: | Moderate     |

| Indicators                 | Type    | Benchmark |
|----------------------------|---------|-----------|
| Not well managed emergency | Lagging | zero      |
|                            |         |           |

| Current Issues / Actions / Treatments | Due Date | Responsibility |
|---------------------------------------|----------|----------------|
| Lack of resources in LG               |          | CEO            |
|                                       |          |                |

Failure to adequately capture, store, archive, retrieve, provide or dispose of documentation. This includes:

- Contact lists.
- Procedural documents, personnel files, complaints.
- Applications, proposals or documents.
- Contracts.
- Forms or requests.

|   |  |
|---|--|
| <b>Potential causes include;</b>                          |  |
| Spreadsheet/database/document corruption or loss          | Outdated record keeping practices                      |
| Inadequate access and / or security levels                | Lack of system/application knowledge                   |
| Inadequate Storage facilities (including climate control) | High workloads and time pressures                      |
| High Staff turnover                                       | Standard Operating Policies not followed               |
| Incompatible systems                                      | Incomplete Authorisation Trails                        |
| Lack of awareness of the State Records Act                | Lack of awareness of use of network drives and folders |
| Historical legacies                                       |  |

| Key Controls                           | Type         | Responsibility | Rating    |
|--|--------------|----------------|-----------|
| Record Keeping Plan                    | Detective    |                | Adequate  |
| Records traning on Induction           | Preventative |                | Adequate  |
| Annual Refresher on Records Management | Preventative |                | Not Rated |
| Documentation Management Audits        | Detective    |                | Effective |
| Records Management Procedures          | Preventative |                | Adequate  |
| Archival processes                     | Preventative |                | Adequate  |
| Document disaster recovery plan        | Recovery     |                | Adequate  |
| Electronic records back up (Synergy)   | Recovery     |                | Adequate  |
| Training for Staff                     | Preventative |                | Adequate  |

|                          |          |
|--------------------------|----------|
| Overall Control Ratings: | Adequate |
|--------------------------|----------|

| Consequence Category | Risk Ratings          | Rating       |
|----------------------|-----------------------|--------------|
| Reputation / Finance | Consequence:          | Moderate (3) |
|                      | Likelihood:           | Possible (3) |
|                      | Overall Risk Ratings: | Moderate     |

| Indicators                                       | Type    | Benchmark     |
|--|---------|---------------|
| Number of documents without relevant attachments | Leading | Zero          |
| Number of outstnading records per month          | Lagging | <10 per month |
| Complaints relating to lost documentation        | Lagging | <2 per month  |
|  |         |               |

| Current Issues / Actions / Treatments                    | Due Date | Responsibility |
|--|----------|----------------|
| Undertake monthly records audits                         | Monthly  | MCS/FO         |
| Annual Refresher for all Employees on Records Management | Jun-26   | CEO            |
|  |          |                |

Non compliance with Work, Health & Safety (WHS) Act and associated regulations and standards. It is also the inability to ensure the physical security requirements of staff, contractors and visitors. Other considerations are:

- Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of workers, volunteers, visitors, staff, contractors and/or tenants - Inadequate Organisational Emergency Management requirements (evacuation diagrams, drills, wardens etc), Inadequate security protection measures in place for buildings, depots and other places of work (vehicle, community etc), Public Liability Claims, due to negligence or personal injury, Employee Liability Claims due to negligence or personal injury, Inadequate or unsafe modifications to plant & equipment.

## Potential causes include;

|   |  |
|---|--|
| Inadequate Policy, Frameworks, Systems and Structure to prevent the injury of visitors, staff, contractors and/or tenants in the provision of a working or business environment | Public Liability Claims, due to negligence or personal injury  |
| Inadequate security protection measures in place for buildings, depots and other places of work   | Employee Liability Claims due to negligence or personal injury |

| Key Controls                                 | Type         |                | Rating          |
|--|--------------|----------------|-----------------|
| Online and Part B Employee Inductions        | Preventative |                | <b>Adequate</b> |
| Online and Part B Contractor Inductions      | Preventative |                | <b>Adequate</b> |
| Online and Part B Volunteer Inductions       | Preventative |                | <b>Adequate</b> |
| Sign in register in Admin Centre             | Preventative |                | <b>Adequate</b> |
| Depot gates locked when no one in attendance | Preventative | Responsibility | <b>Adequate</b> |

|                                 |                 |
|---------------------------------|-----------------|
| <b>Overall Control Ratings:</b> | <b>Adequate</b> |
|---------------------------------|-----------------|

| Consequence Category | Risk Ratings                 | Rating          |
|----------------------|------------------------------|-----------------|
| Reputation / Finance | <b>Consequence:</b>          | Moderate (3)    |
|                      | <b>Likelihood:</b>           | Unlikely (2)    |
|                      | <b>Overall Risk Ratings:</b> | <b>Moderate</b> |

| Indicators  | Type    | Benchmark |
|---|---------|-----------|
| Employee/Contractors/Volunteers with no completed induction | Lagging | Zero      |

| Current Issues / Actions / Treatments                             | Due Date | Responsibility |
|---|----------|----------------|
| Check all contractors have been inducted prior to commencing work | ongoing  | Management     |

# Inadequate engagement of Community/Stakeholders/Elected Members

Sep-25

Failure to maintain effective working relationships with the Community (including local Media), Stakeholders, Key Private Sector Companies, Government Agencies and / or Elected Members. This includes activities where communication, feedback or consultation is required and where it is in the best interests to do so. For example;

- Following up on any access & inclusion issues
- Infrastructure Projects
- Local planning initiatives
- Strategic planning initiatives

*This does not include instances whereby Community expectations have not been met for standard service provisions such as Community Events, Library Services and / or Bus/Transport services.*

## Potential causes include:

|   |   |
|---|---|
| Relationship breakdowns with community groups | Short lead times  |
| Leadership inattention to current issues      | Miscommunication / poor communication                       |
| Inadequate documentation or procedures        | Inadequate Regional or District Committee attendance.       |
| Budget / funding issues                       | Inadequate involvement with, or support of community groups |
| Geographic distance                           | Media attention   |

| Key Controls                                 | Type         |                | Rating    |
|--|--------------|----------------|-----------|
| Advisory groups (as required)                | Detective    |                | Effective |
| Availability of staff for meetings on demand | Preventative | Responsibility | Effective |
| Community based forums and workshops         | Preventative |                | Effective |
| Community Engagement Plan                    | Preventative |                | Effective |
| Communication Plan                           | Preventative |                | Effective |

|                                 |                 |
|---------------------------------|-----------------|
| <b>Overall Control Ratings:</b> | <b>Adequate</b> |
|---------------------------------|-----------------|

| Consequence Category | Risk Ratings                 | Rating          |
|----------------------|------------------------------|-----------------|
| Reputation / Finance | <b>Consequence:</b>          | Minor (2)       |
|                      | <b>Likelihood:</b>           | Possible (3)    |
|                      | <b>Overall Risk Ratings:</b> | <b>Moderate</b> |

| Indicators  | Type    | Benchmark |
|---|---------|-----------|
| Number of substantiated complaints referring to poor engagement | Lagging | Zero      |
|   |         |           |

| Current Issues / Actions / Treatments   | Due Date | Responsibility |
|---|----------|----------------|
| Review Communication Plan (every two years) - Last Review June 2025 M10426        | May-27   | CEO            |
| Review Community Engagement Plan (every two years) - Last Review June 2025 M10427 | May-27   | CEO            |
|   |          |                |

Failure in the procurement, acquisition, acceptance or disposal process for assets as governed by the Act.

### Potential causes include:

|  |   |
|--|---|
| Lack of formalised process to identify specific requirements prior to procurement  | Acceptance of assets without reference to a formalised process to ensure correct receipt and/or notification of receipt |
| Disposing of P&E (either through sale or decommissioning) that did not meet expectations from either a time or financial perspective | Failures in the Tender process from RTF preparation, advertising, due diligence and awarding                            |

| Key Controls                                 | Type         |  | Rating    |
|--|--------------|--|-----------|
| Council's Purchasing Policy                  | Preventative |  | Effective |
| Tender register                              | Detective    |  | Effective |
| RFQ Register                                 | Detective    |  | Effective |
| Internal Audit by third party to the process | Detective    |  | Effective |

|                          |  |  |          |
|--------------------------|--|--|----------|
| Overall Control Ratings: |  |  | Adequate |
|--------------------------|--|--|----------|

| Consequence Category | Risk Ratings          | Rating       |
|----------------------|-----------------------|--------------|
| Reputation / Finance | Consequence:          | Minor (2)    |
|                      | Likelihood:           | Possible (3) |
|                      | Overall Risk Ratings: | Moderate     |

| Indicators  | Type    | Benchmark |
|---|---------|-----------|
| Number of purchases not adhered to policy/process | Lagging | Zero      |

| Current Issues / Actions / Treatments | Due Date | Responsibility |
|---------------------------------------|----------|----------------|
| Annual Review of Purchasing Policy    | Mar-26   | CEO            |
| Annual Review of Tender Register      | Jun-26   | EA             |

Failure or reduction in service of infrastructure assets, plant, equipment or machinery.  
 These include fleet, buildings, roads, playgrounds, boat ramps and all other assets during their lifecycle from procurement to disposal. Areas included in the scope are;

- Inadequate design (not fit for purpose)
- Ineffective usage (down time)
- Outputs not meeting expectations
- Inadequate maintenance activities.
- Inadequate financial management and planning (capital renewal plan).

*It does not include issues with the inappropriate use of the Plant, Equipment or Machinery. Refer Misconduct.*

**Potential causes include;**

|   |  |
|---|--|
| Skill level & behaviour of operators              | Unavailability of parts  |
| Lack of trained staff                             | Lack of formal or appropriate scheduling (maintenance / inspections) |
| Outdated equipment                                | Unexpected breakdowns  |
| Insufficient budget to maintain or replace assets |  |

| Key Controls                                   | Type         |                       | Rating           |
|--|--------------|-----------------------|------------------|
| Asset Management System (Synergy)              | Detective    |                       | <b>Adequate</b>  |
| Asset Management System (Roads - RAMM)         | Detective    |                       | <b>Adequate</b>  |
| 10 Yr Plant Replacement Program                | Preventative | <i>Responsibility</i> | <b>Effective</b> |
| Staff skills training and licencing            | Preventative |                       | <b>Effective</b> |
| 10 Year Building Maintenance Plan              | Preventative |                       | <b>Effective</b> |
| Insurance for loss                             | Recovery     |                       | <b>Effective</b> |
| Routine maintenance program (roads, footpaths) | Preventative |                       | <b>Effective</b> |
| Routine maintenance program (parks, reserves)  | Preventative |                       | <b>Effective</b> |
| Tender register                                | Detective    |                       | <b>Effective</b> |
| Staff training for all large plant             | Preventative |                       | <b>Adequate</b>  |
| RFQ Register                                   | Detective    |                       | <b>Effective</b> |
| Internal Audit by third party to the process   | Detective    |                       | <b>Effective</b> |

|                                 |                 |
|---------------------------------|-----------------|
| <b>Overall Control Ratings:</b> | <b>Adequate</b> |
|---------------------------------|-----------------|

| Consequence Category | Risk Ratings                 | Rating              |
|----------------------|------------------------------|---------------------|
| Reputation / Finance | <b>Consequence:</b>          | <i>Minor (2)</i>    |
|                      | <b>Likelihood:</b>           | <i>Possible (3)</i> |
|                      | <b>Overall Risk Ratings:</b> | <b>Moderate</b>     |

| Indicators                                  | Type    | Benchmark   |
|---|---------|-------------|
| <i>Accidents and/or damage to equipment</i> | Lagging | Zero        |
| <i>Breakdowns</i>                           | Lagging | 2 per month |

| Current Issues / Actions / Treatments   | Due Date  | Responsibility |
|---|-----------|----------------|
| Maintain training register  | Ongoing   | MWS            |
| Organise SOP's to be completed for all plant and equipment - all completed May 2025 | Completed | MWS            |
| Develop and maintain footpath plan for Dalwallinu and Kalannie townsites            | Completed | MWS            |
|   |           |                |

Inadequate identification or quantification of financial exposure or risk associated with decisions to invest in land transactions, financial derivatives or investments or poor long term forecasting/assumptions.

Potential causes include;

|   |  |
|---|--|
| Poor credit management (short or long term borrowing restricting capacity or flexibility) | Ineffective market analysis  |
| Ineffective Business Planning (poor scope/competition analysis)                           | Ineffective financial modelling, forecasting and projection techniques/processes |

| Key Controls                   | Type         |  | Rating   |
|--------------------------------|--------------|--|----------|
| Project Plans for all projects | Preventative |  | Adequate |
|                                |              |  |          |

|                          |          |
|--------------------------|----------|
| Overall Control Ratings: | Adequate |
|--------------------------|----------|

| Consequence Category | Risk Ratings          | Rating       |
|----------------------|-----------------------|--------------|
| Reputation / Finance | Consequence:          | Minor (2)    |
|                      | Likelihood:           | Possible (3) |
|                      | Overall Risk Ratings: | Moderate     |

| Indicators               | Type    | Benchmark |
|--------------------------|---------|-----------|
| Poor financial decisions | Lagging | Zero      |
| Poor project planning    | Lagging | Zero      |
|                          |         |           |

| Current Issues / Actions / Treatments | Due Date | Responsibility |
|---------------------------------------|----------|----------------|
|                                       |          |                |
|                                       |          |                |



Inadequate prevention, identification, enforcement and management of environmental issues.

The scope includes;

- Lack of adequate planning and management of coastal erosion issues.
- Failure to identify and effectively manage contaminated sites (including groundwater usage).
- Waste facilities (landfill / transfer stations).
- Weed & mosquito / Vector control.
- Ineffective management of water sources (reclaimed, potable)
- Illegal dumping.
- Illegal clearing / land use.

Potential causes include;

|  |  |
|--|--|
| Inadequate management of landfill sites                | Inadequate reporting / oversight frameworks                    |
| Lack of understanding / knowledge                      | Community apathy   |
| Inadequate local laws / planning schemes               | Differing land tenure (land occupancy or ownership conditions) |
| Prolific extractive industry (sand, limestone, etc)    | Competing land use (growing population vs conservation)        |
| Poor management of contaminated sites                  | Weed and pest management difficulties                          |
| Clandestine drug labs disposing of chemicals illegally | Bio-diversity hotspots   |
| Weather events / natural disasters                     | Fuel or chemical spills  |
| Climate change   | Illegal firewood collection / burning / hunting                |
| Complex legislation                                    |  |

| Key Controls                             | Type         |  | Rating    |
|--|--------------|--|-----------|
| Soil and water testing                   | Detective    |  | Adequate  |
| Support environment and land care groups | Preventative |  | Effective |
| Conduct environmental health inspections | Preventative |  | Adequate  |
| Litter collection schedules              | Preventative |  | Adequate  |
| Encourage recycling                      | Recovery     |  | Effective |
|  |              |  |           |
|  |              |  |           |
|  |              |  |           |

|                          |          |
|--------------------------|----------|
| Overall Control Ratings: | Adequate |
|--------------------------|----------|

| Consequence Category | Risk Ratings          | Rating       |
|----------------------|-----------------------|--------------|
| Reputation / Finance | Consequence:          | Minor (2)    |
|                      | Likelihood:           | Possible (3) |
|                      | Overall Risk Ratings: | Moderate     |

| Indicators                                  | Type    | Benchmark                             |
|---|---------|---------------------------------------|
| Tonnes per capita recyclable generation     | Leading | >5 Tonnes                             |
| Decline in vegetation cover                 | Lagging | 5% since last GIS data set (12 years) |
| Number of validated environmental incidents | Lagging | 5 per year                            |
| Complaints from environmental groups        | Lagging |                                       |

| Current Issues / Actions / Treatments | Due Date | Responsibility |
|---------------------------------------|----------|----------------|
|                                       |          |                |
|                                       |          |                |
|                                       |          |                |
|                                       |          |                |
|                                       |          |                |

Lack of stock to ensure continuity of operations or oversupply of stock resulting in dormant (non performing) assets. Stock includes consumables, stationery, spare parts and other items used for operational purposes.

|  |                       |                          |                |
|--|-----------------------|--------------------------|----------------|
| Potential causes include:                                |                       |                          |                |
| Incorrect recording on fuel usage sheets                 |                       | Lack of stock management |                |
| Key Controls   | Type                  |                          | Rating         |
| Fuel Audits  | Detective             |                          | Adequate       |
| Cleaning Materials Distribution List                     | Detective             |                          | Adequate       |
| Stationery Monitoring                                    | Detective             |                          | Adequate       |
| Overall Control Ratings:                                 |                       |                          | Adequate       |
| Consequence Category                                     | Risk Ratings          |                          | Rating         |
| Reputation / Finance                                     | Consequence:          |                          | Minor (2)      |
|  | Likelihood:           |                          | Possible (3)   |
|  | Overall Risk Ratings: |                          | Moderate       |
| Indicators   | Type                  | Benchmark                |                |
| Not being able to account for monthly fuel discrepancies | Lagging               | <50 litres per month     |                |
| Cleaning materials utilised too quickly                  | Lagging               | Zero                     |                |
|  |                       |                          |                |
| Current Issues / Actions / Treatments                    |                       | Due Date                 | Responsibility |
| Monthly Stocktake for fuel & bulk oils                   |                       | Monthly                  | MCS/FO         |
|  |                       |                          |                |

Inadequate management of external Suppliers, Contractors, IT Vendors or Consultants engaged for core operations. This includes issues that arise from the ongoing supply of services or failures in contract management & monitoring processes. This also includes:

- Contract issues (contracts awarded to one supplier)
- Vendor sustainability

|   |  |
|---|--|
| <b>Potential causes include;</b>        |  |
| Insufficient funding                    | Inadequate contract management practices     |
| Complexity and quantity of work         | Ineffective monitoring of deliverables       |
| Inadequate tendering process            | Lack of planning and clarity of requirements |
| Contracts not renewed on time           | Historical contracts remaining               |
| Suppliers not willing to provide quotes | Limited availability of suppliers            |
| Pandemic                                |  |

| Key Controls                                | Type         |                | Rating    |
|---|--------------|----------------|-----------|
| Strict tender/procurement processes         | Preventative | Responsibility | Effective |
| Utilise WALGA preferred supplier            | Preventative |                | Effective |
| WHS Inductions                              | Preventative |                | Effective |
| Tender Register to monitor expiration dates | Detective    |                | Effective |

|                          |  |          |
|--------------------------|--|----------|
| Overall Control Ratings: |  | Adequate |
|--------------------------|--|----------|

| Consequence Category | Risk Ratings          | Rating       |
|----------------------|-----------------------|--------------|
| Reputation / Finance | Consequence:          | Moderate (3) |
|                      | Likelihood:           | Unlikely (2) |
|                      | Overall Risk Ratings: | Moderate     |

| Indicators                                  | Type    | Benchmark |
|---|---------|-----------|
| Number of expired contracts not yet renewed | Lagging | Zero      |
| Tender processes not adhered to             | Lagging | Zero      |

| Current Issues / Actions / Treatments | Due Date | Responsibility |
|---------------------------------------|----------|----------------|
|                                       |          |                |
|                                       |          |                |

Failure to effectively manage and lead human resources (full-time, part-time, casuals, temporary and volunteers).

This includes:

- Not having appropriately qualified or experienced people in the right roles.
- Insufficient staff numbers to achieve objectives.
- Breaching employee regulations.
- Discrimination, harassment & bullying in the workplace.
- Poor employee wellbeing (causing stress).
- Key person dependencies without effective succession planning in place.
- Industrial activity.

| Potential causes include;                                      |   |
|--|---|
| Leadership failures  | Ineffective performance management programs or procedures |
| Key / single-person dependencies                               | Limited staff availability - labour market conditions     |
| Poor internal communications / relationships                   | Inadequate induction practices                            |
| Ineffective Human Resources policies, procedures and practices | Inconsistent application of policies                      |

| Key Controls                        | Type         |                | Rating    |
|-------------------------------------|--------------|----------------|-----------|
| Annual Performance Appraisals       | Detective    |                | Effective |
| Encourage staff social activities   | Preventative |                | Adequate  |
| Induction process on commencement   | Preventative | Responsibility | Effective |
| WHS Induction on commencement       | Preventative |                | Effective |
| Workforce Plan                      | Preventative |                | Adequate  |
| Employee Assistance Program         | Preventative |                | Effective |
| Staff training programs as required | Preventative |                | Adequate  |
|                                     |              |                |           |
| Overall Control Ratings:            |              |                | Effective |

| Consequence Category | Risk Ratings          | Rating     |
|----------------------|-----------------------|------------|
| Reputation / Finance | Consequence:          | Minor (2)  |
|                      | Likelihood:           | Likely (4) |
|                      | Overall Risk Ratings: | Moderate   |

| Indicators                           | Type    | Benchmark     |
|--------------------------------------|---------|---------------|
| Employee Satisfaction Survey         | Leading |               |
| Suitable budget for training         | Leading | Zero          |
| Average absenteeism                  | Lagging | 10% per annum |
| Employee turnover                    | Lagging | 20% per annum |
| Workers Compensation (Stress) Claims | Lagging | Zero          |
| Suitable budget for training         | Lagging | Zero          |

| Current Issues / Actions / Treatments                               | Due Date | Responsibility |
|---|----------|----------------|
| Review Performance Appraisal documentation - done annually in March | Mar-26   | CEO            |
| Review Workforce Plan - Council July 2024 (CEO review 2025)         | Jun-26   | CEO            |
|   |          |                |

Failure to effectively manage the day to day operations of facilities, venues and / or events. This includes;

- Inadequate procedures in place to manage quality or availability.
- Poor crowd control
- Ineffective signage
- Booking issues
- Stressful interactions with hirers / users (financial issues or not adhering to rules of use of facility)
- Inadequate oversight or provision of peripheral services (e.g.. cleaning / maintenance)

## Potential causes include;

|   |  |
|---|--|
| Double bookings   | Traffic congestion or vehicles blocking entry or exit          |
| Illegal / excessive alcohol consumption   | Insufficient time between bookings for cleaning or maintenance |
| Bond payments poorly managed  | Difficulty accessing facilities / venues.                      |
| Inadequate oversight or provision of peripheral services (e.g.. cleaning / maintenance) | Poor service from contractors (such as catering or cleaning)   |
| Falsifying hiring agreements (alcohol on site / lower deposit)                          | Renovations  |
| Unaccompanied minors/children   | Animal Contamination   |
| Failed chemical / health requirements   |  |

| Key Controls                            | Type         | Responsibility | Rating    |
|---|--------------|----------------|-----------|
| Bookings Procedure followed             | Preventative |                | Effective |
| Cleaning Audits of all Shire Facilities | Detective    |                | Effective |
| Shire approval for significant events   | Preventative |                | Effective |
| Key Bonds taken/returned                | Preventative |                | Effective |
| Insurances for hirers checked           | Preventative |                | Effective |
| Booking forms completed                 | Preventative |                | Effective |
| Well organised Shire events             | Preventative |                | Effective |
| 10 Year Building Maintenance Plan       | Detective    |                | Effective |

|                                 |                  |
|---------------------------------|------------------|
| <b>Overall Control Ratings:</b> | <b>Effective</b> |
|---------------------------------|------------------|

| Consequence Category | Risk Ratings                 | Rating          |
|----------------------|------------------------------|-----------------|
| Reputation / Finance | <b>Consequence:</b>          | Minor (2)       |
|                      | <b>Likelihood:</b>           | Possible (3)    |
|                      | <b>Overall Risk Ratings:</b> | <b>Moderate</b> |

| Indicators                                | Type    | Benchmark                         |
|---|---------|-----------------------------------|
| Attendance at Shire events                | Leading | Within 20% of anticipated numbers |
| Community complaints regarding facilities | Lagging | <5 per annum                      |
| Injuries/incidents                        | Lagging | Zero                              |

| Current Issues / Actions / Treatments                  | Due Date | Responsibility |
|--|----------|----------------|
| Develop Event Management Framework - Not completed     | Sep-23   | MPDS           |
| Booking forms, facility checks completed for each hire | Ongoing  | CSO/MCS        |

Failure to provide expected levels of service, events and benefit to the community. This includes where precedents have set Community perceptions or where services are generally expected. This will normally result in reputational impacts, however may have financial considerations with re-work, compensations or refunds.

| Potential causes include;   |  |           |                |
|---|--|-----------|----------------|
| Reducing the number or quality of events  | Loss of new or ongoing funding requirements for projects, events and other initiatives |           |                |
| Withdrawing support (or not supporting) other initiatives to provide relief/benefits to the community | Technology expectations  |           |                |
| Key Controls  | Type   |           | Rating         |
| Annual Street Party is held   | Preventative   |           | Effective      |
| Youth Programs are funded   | Preventative   |           | Effective      |
| Communication Plan adhered to   | Preventative   |           | Effective      |
| Overall Control Ratings:  |  |           | Effective      |
| Consequence Category  | Risk Ratings   |           | Rating         |
| Reputation / Finance  | Consequence:   |           | Minor (2)      |
|   | Likelihood:  |           | Possible (3)   |
|   | Overall Risk Ratings:  |           | Moderate       |
| Indicators  | Type   | Benchmark |                |
| Annual Street Party held  | Leading  |           |                |
| Youth Programs funded   | Leading  |           |                |
|   |  |           |                |
| Current Issues / Actions / Treatments   |  | Due Date  | Responsibility |
| Conduct Community Satisfaction Survey - Survey Completed Oct 2024                                     |  | Dec-26    | CEO            |
|   |  |           |                |

### 6.3 Shire of Dalwallinu – Tender and Quote Register\*

|                                   |   |
|-----------------------------------|---|
| <b>Report Date</b>                | 16 December 2025                                      |
| <b>Applicant</b>                  | Shire of Dalwallinu                                   |
| <b>File Ref</b>                   | FM/9 – Financial Management – Financial Reporting     |
| <b>Previous Meeting Reference</b> | Nil   |
| <b>Prepared by</b>                | Hanna Jolly, Manager Corporate Services               |
| <b>Supervised by</b>              | Jean Knight, Chief Executive Officer                  |
| <b>Disclosure of interest</b>     | Nil   |
| <b>Voting Requirements</b>        | Simple Majority                                       |
| <b>Attachments</b>                | Shire of Dalwallinu Tender and Quote Register 2025-26 |

#### **Purpose of Report**

The Shire of Dalwallinu Tender Register and summary of 'Request for Quotes' for 2025-26 as at 19 November 2025 is provided to the Audit, Risk and Improvement Committee to be acknowledged.

#### **Officer Recommendation/Committee Resolution**

##### **MOTION**

Moved Cr KL Carter  
Seconded Cr S Dawson

That the Audit, Risk and Improvement Committee receives the Tender Register and Summary of Requests for Quotes to 19 November 2025.

**CARRIED 4/0**

**For:** Mr IW Hyde, Cr KL Carter, Cr SC Carter, Cr S Dawson  
**Against:** Nil



## TENDER REGISTER

| TENDER DETAILS                         |                           |          |       |
|--|---------------------------|----------|-------|
| TENDER NO:                             | RFT2526-02                | FILE NO: | FM/28 |
| TENDER TITLE:                          | Supply of 6x4 Prime Mover |          |       |
| RESPONSIBLE OFFICER:                   | Marc Bennett              |          |       |
| DESCRIPTION OF GOODS OR SERVICES       |                           |          |       |
| Supply & Delivery of a 6x4 Prime Mover |                           |          |       |
| EXPRESSION OF INTEREST DETAILS:        | N/A                       |          |       |

| ADVERTISING DETAILS           |                              |
|-------------------------------|------------------------------|
| <b>STATEWIDE NOTICE:</b>      | WALGA E-QUOTE – VP470120     |
| <b>OTHER:</b>                 | N/A                          |
| <b>WEBSITE:</b>               | www.dalwallinu.wa.gov.au     |
| <b>CLOSING DATE AND TIME:</b> | 2pm, Thursday 28 August 2025 |

| TENDER OPENING DETAILS            |                                 |                          |
|-----------------------------------|---------------------------------|--------------------------|
| <b>OPENING DATE AND TIME:</b>     | 2:05pm, Thursday 28 August 2025 |                          |
| <b>OPENED IN THE PRESENCE OF:</b> | <b>NAME</b>                     | <b>POSITION</b>          |
|                                   | Marc Bennett                    | Manager Works & Services |
|                                   | Downloaded from WALGA portal    |                          |

| TENDERS RECEIVED FROM            |                                |                |
|----------------------------------|--------------------------------|----------------|
| <b>BUSINESS NAME</b>             | <b>ADDRESS</b>                 | <b>ABN</b>     |
| CJD Equipment Pty Ltd (DAF)      | 787 Abernethy Rd, Forrestfield | 63 008 754 523 |
| CJD Equipment Pty Ltd (Kenworth) | 787 Abernethy Rd, Forrestfield | 63 008 754 523 |
| Daimler Trucks Perth             | 4 Ulm Place, Perth Airport     |                |
| WA HINO Sales & Service          | 24-26 Kewdale Rd, Welshpool    | 99 889 768 131 |
| Truck Centre WA PL (Mack)        | PO Box 77, Guildford           | 19 120 476 879 |
| Truck Centre WA PL (UD)          | PO Box 77, Guildford           | 19 120 476 879 |
| Truck Centre WA PL (Volvo)       | PO Box 77, Guildford           | 19 120 476 879 |



## TENDER REGISTER

| TENDER AWARD                     |                         |                      |        |
|----------------------------------|-------------------------|----------------------|--------|
| <b>DATE OF COUNCIL MEETING:</b>  | 28 October 2025         | <b>MINUTE NO:</b>    | M10484 |
| <b>SUCCESSFUL TENDERER NAME:</b> | WA HINO Sales & Service |                      |        |
| <b>CONTRACT VALUE:</b>           | \$263,750.00 ex GST     | <b>CONTRACT TERM</b> | N/A    |

| ADVERTISEMENT |
|---------------|
|---------------|

No Statewide Public Notice as this tender was via the WALGA E-Quote Portal and sent to four (4) suppliers on the Panel.

## TENDER REGISTER

| TENDER DETAILS   |                      |          |       |
|--|----------------------|----------|-------|
| TENDER NO:   | RFT2526-03           | FILE NO: | FM/28 |
| TENDER TITLE:  | Supply & Lay Asphalt |          |       |
| RESPONSIBLE OFFICER:   | Marc Bennett         |          |       |
| DESCRIPTION OF GOODS OR SERVICES   |                      |          |       |
| Supply and Lay approximately 6642 m2 of MRWA 10/75 Asphalt for Shire of Dalwallinu Road Projects |                      |          |       |
| EXPRESSION OF INTEREST DETAILS:  | N/A                  |          |       |

| ADVERTISING DETAILS           |   |
|-------------------------------|---|
| <b>STATEWIDE NOTICE:</b>      | The West – Saturday 23 August 2025  |
| <b>OTHER:</b>                 | Shire Website<br>Shire Facebook Page<br>Totally Locally & Kalannie Kapers<br>Admin & Library Noticeboards |
| <b>WEBSITE:</b>               | www.dalwallinu.wa.gov.au  |
| <b>CLOSING DATE AND TIME:</b> | 2pm, Wednesday 25 September 2025  |

| TENDER OPENING DETAILS            |                                  |                           |
|-----------------------------------|----------------------------------|---------------------------|
| <b>OPENING DATE AND TIME:</b>     | 2pm, Wednesday 25 September 2025 |                           |
| <b>OPENED IN THE PRESENCE OF:</b> | <b>NAME</b>                      | <b>POSITION</b>           |
|                                   | Jean Knight                      | Chief Executive Officer   |
|                                   | Christie Andrews                 | Finance Officer           |
|                                   | Sheree Sundstrom                 | Technical Support Officer |

| TENDERS RECEIVED FROM |  |                |
|-----------------------|--|----------------|
| BUSINESS NAME         | ADDRESS                                  | ABN            |
| Boral Resources       | 90 McDowell Street<br>WELSHPOOL W A 6106 | 57 008 686 904 |
| Jackson Asphalt       | PO Box 27<br>MADDINGTON W A 6989         | 14 681 337 404 |
| Stirling Asphalt      | PO Box 685<br>INNALOO W A 6918           | 21 133 560 317 |
| WCP Civil Pty Ltd     | PO Box 579<br>FLOREAT FORUM W A 6014     | 44 168 729 977 |

## TENDER REGISTER

| TENDER AWARD                     |                       |                      |        |
|----------------------------------|-----------------------|----------------------|--------|
| <b>DATE OF COUNCIL MEETING:</b>  | 28 October 2025       | <b>MINUTE NO:</b>    | M10485 |
| <b>SUCCESSFUL TENDERER NAME:</b> | WCP Civil Pty Ltd     |                      |        |
| <b>CONTRACT VALUE:</b>           | \$179,857.06 (ex GST) | <b>CONTRACT TERM</b> | N/A    |

| ADVERTISEMENT |
|---------------|
|---------------|

No Statewide Public Notice as this tender was via the WALGA E-Quote Portal and sent to six (6) Contractors on the Panel.

## TENDER REGISTER

| TENDER DETAILS  |   |          |       |
|---|---|----------|-------|
| TENDER NO:  | RFT2526-04                                    | FILE NO: | FM/28 |
| TENDER TITLE:   | Upgrade to Lighting at Dalwallinu Sports Oval |          |       |
| RESPONSIBLE OFFICER:  | Marc Bennett                                  |          |       |
| DESCRIPTION OF GOODS OR SERVICES  |   |          |       |
| Design, manufacture and installation of new lighting to Dalwallinu Sports Oval. |   |          |       |
| EXPRESSION OF INTEREST DETAILS:   | N/A   |          |       |

| ADVERTISING DETAILS           |   |
|-------------------------------|---|
| <b>STATEWIDE NOTICE:</b>      | The West – Saturday 23 August 2025  |
| <b>OTHER:</b>                 | Shire Website<br>Shire Facebook Page<br>Totally Locally & Kalannie Kapers<br>Admin & Library Noticeboards |
| <b>WEBSITE:</b>               | <a href="http://www.dalwallinu.wa.gov.au">www.dalwallinu.wa.gov.au</a>                                    |
| <b>CLOSING DATE AND TIME:</b> | 2pm, Wednesday 24 September 2025  |

| TENDER OPENING DETAILS            |                                     |                           |
|-----------------------------------|-------------------------------------|---------------------------|
| <b>OPENING DATE AND TIME:</b>     | 3:45pm, Wednesday 24 September 2025 |                           |
| <b>OPENED IN THE PRESENCE OF:</b> | <b>NAME</b>                         | <b>POSITION</b>           |
|                                   | Jean Knight                         | Chief Executive Officer   |
|                                   | Marc Bennett                        | Manager Works & Services  |
|                                   | Sheree Sundstrom                    | Technical Support Officer |

| TENDERS RECEIVED FROM         |  |                |
|-------------------------------|--|----------------|
| BUSINESS NAME                 | ADDRESS                                  | ABN            |
| Blu Electrical                | 3/14 Hydro Rise, BIBRA LAKE WA 6163      | 20 638 110 139 |
| Famlonga Building Contractors | 102 Golfview Place, GNANGARA WA 6077     | 72 008 975 326 |
| Kalamunda Electrics           | 8/4 Wicks Street, BAYSWATER WA 6053      | 23 159 828 798 |
| NGL Power                     | 49 Winton Road, JOONDALUP WA 6027        | 73 161 491 845 |
| Peap Contractors Pty Ltd      | Unit 3, 5 Quantum Link, WANGARA WA 6065  | 44 677 953 445 |
| Pure Innovate                 | Level 12, 10 Eagle St, BRISBANE QLD 4000 | 84 681 095 134 |

## TENDER REGISTER

| TENDER AWARD              |                 |               |        |
|---------------------------|-----------------|---------------|--------|
| DATE OF COUNCIL MEETING:  | 28 October 2025 | MINUTE NO:    | M10492 |
| SUCCESSFUL TENDERER NAME: | NGL Power       |               |        |
| CONTRACT VALUE:           | \$392,810.31    | CONTRACT TERM | N/A    |

## ADVERTISEMENT



### RFT2526-04 – UPGRADE TO LIGHTING AT DALWALLINU SPORTS OVAL

The Shire of Dalwallinu is seeking to engage a Contractor to design, manufacture and install new sports lighting to the Dalwallinu Sports Oval.

All requests for tender documentation can be directed to Deb Whitehead via email [ea@dalwallinu.wa.gov.au](mailto:ea@dalwallinu.wa.gov.au).

All tenders must be received prior to the tender deadline, contained in a sealed envelope, clearly marked with the tender number and tender name and lodged in the tender box situated in the office of Shire of Dalwallinu, 58 Johnston Street, Dalwallinu WA 6609, by post to PO Box 141 Dalwallinu 6609 or emailed to [tenders@dalwallinu.wa.gov.au](mailto:tenders@dalwallinu.wa.gov.au).

**Tenders close at 2pm, Wednesday 24 September 2025.**

Jean Knight JP

Chief Executive Officer

# SHIRE OF DALWALLINU

## REQUEST FOR QUOTES

2025-2026

| RFT Number | Description   |
|------------|---|
| RFQ2526-01 | Kalannie Townscape & Cleaning Contract – Completed (Gazz's Maintenance) |
| RFQ2526-02 | Shelter for Pithara Park – Completed (Landmark)                         |
| RFQ2526-03 | Purchase of Toyota Kluger (DL131) – Completed (Boekeman Toyota)         |
| RFQ2526-04 | Light Truck – Completed (Daimler Trucks)                                |
| RFQ2526-05 | Verge Mulching – Completed (MCC Contractors)                            |
| RFQ2526-06 | Oval Renovations – Completed (Midwest Turf)                             |
| RFQ2526-07 | Traffic management – Completed (Baba Marda)                             |
| RFQ2526-08 | Roundup – Completed (Elders Dalwallinu)                                 |
| RFQ2526-09 | Dalwallinu Town Hall – Completed (J Zappa Painting & Decorating)        |
| RFQ2526-10 | Rec Centre Carport – Completed (Fair Dinkum Sheds Moora)                |
| RFQ2526-11 | Drainage Material – James St – Completed (Dallcon)                      |
| RFQ2526-12 | Footpaths – Completed (Dallcon)   |
| RFQ2526-13 | Shade Sails – Completed (Miracle Recreation Equipment)                  |
| RFQ2526-14 | Wet Mix – Completed (WCS)   |
| RFQ2526-15 | Supply & Lay Asphalt – Not awarded – To a RFT                           |
| RFQ2526-16 | Supply & Lay Kerbing – Completed (Rylan Concrete)                       |
| RFQ2526-17 | Generator – Medical Centre – Completed (Able Sales)                     |
| RFQ2526-18 | PVC Fencing – Rec Centre (Myers St) – Completed (B&K Fencing)           |
| RFQ2526-19 | Shade Structure – Playground – Completed (Fair Dinkum Sheds Moora)      |
| RFQ2526-20 | Swing (Pithara) – Completed (Miracle Recreation)                        |
| RFQ2526-21 | Dry Hire of Smooth Drum Roller – Completed (G&M Counsel)                |

## 6.4 Financial Management and Risk Management Review\*

|                                   |   |
|-----------------------------------|---|
| <b>Report Date</b>                | 16 December 2025                        |
| <b>Applicant</b>                  | Shire of Dalwallinu                     |
| <b>File Ref</b>                   | GO/9 – Internal Audit                   |
| <b>Previous Meeting Reference</b> | Nil                                     |
| <b>Prepared by</b>                | Hanna Jolly, Manager Corporate Services |
| <b>Supervised by</b>              | Jean Knight, Chief Executive Officer    |
| <b>Disclosure of interest</b>     | Nil                                     |
| <b>Voting Requirements</b>        | Simple Majority                         |
| <b>Attachments</b>                | Dry Kirkness Report                     |

### Purpose of Report

The Audit, Risk and Improvement Committee is requested to consider and provide Council a recommendation of the following report relating to Council's systems and procedures for financial management, risk management, internal controls and legislative compliance.

### Background

Audit Regulation 17 of the *Local Government (Audit) Regulations 1996* was introduced in February 2013. The regulation requires that the Chief Executive Officer is to review the appropriateness and effectiveness of the local government's systems and procedures in relation to:

- Risk management; and
- Internal Control; and
- Legislative compliance.

Each of the above matters are to be reviewed not less than once in every three (3) financial years. The last review was presented to the Audit Committee in February 2023.

Regulation 5(2) (c) of the *Local Government (Financial Management) Regulations 1996* states that the Chief Executive Officer is to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every three (3) financial years) and report to the local government the results of those reviews.

The last Financial Management Review was undertaken by Dry Kirkness in August 2022.

Request for Quote was sent to three (3) Audit Firms from the WALGA preferred supplier list in April 2025. Three quotes were received and Dry Kirkness were engaged to perform the above reviews. These reviews were undertaken in October 2025 and final report provided in December 2025.

### Consultation

Chief Executive Officer

### Legislative Implications

#### State

*Local Government (Audit) Regulations 1996*

*Local Government (Financial Management) Regulations 1996*



## Policy Implications

Nil

## General Function Implications

Costs of \$16,500 (ex GST) associated with the independent review were included in the 2025-2026 budget.

## Financial Implications

Nil

## Strategic Implications

*Shire of Dalwallinu Council Plan 2025-2025*

Outcome 11 – Visionary leadership and responsible governance

## Site Inspection

Site inspection undertaken: Not applicable

## Sustainability & Climate Change Implications

### Economic implications

There are no known significant economic implications associated with this proposal.

### Social implications

There are no known significant social implications associated with this proposal.

### Environmental implications

There are no known significant environmental implications associated with this proposal.

## Officer Comment

Appendix 3 of the *Operational Guidelines Number 09 – Audit in Local Government* (issued by the Department of Local Government, Industry Regulation & Safety) lists issues that should be considered for inclusion in the Chief Executive Officer's Review of Risk Management, Internal Control and Legislative Compliance; as follows:

### a) Risk Management

| Number | Details  | Comment  |
|--------|--|--|
| 1      | <i>Does the local government have an effective risk management system?</i> | <p>A suitable risk management framework has been adopted which aims to balance a documented, structured and systematic process with the current size and complexity of the Shire along with existing time, resource and workload pressures.</p> <p>Council <i>Policy 7.11 Risk Management</i> (adopted in 2014) establishes the framework for effective risk management within the Shire. The aim of the policy is to achieve best practice risk management in accordance with AS/NZS ISO 31000:2018 Risk Management.</p> <p>In 2014, LGIS Risk Management was engaged to assist Council with the development of a Risk Management Governance Framework and Risk Management Procedures. At the time, Risk Profile Sheets (Risk register) were developed for identified risks. These were reviewed and updated in September 2025.</p> |





|   |   |  |
|---|---|--|
| 2 | <i>Are material operating risks to the local government being appropriately considered?</i>   | <p>The adopted Risk Management Framework is based on a “Three Lines of Defence” model for the management of risk. This model ensures roles, responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance.</p> <p>In summary, operational areas of the Shire are considered the 1<sup>st</sup> Line of Defence – Managers are responsible for ensuring that risks are identified, assessed, managed, monitored and reported. The Manager Corporate Services acts as the primary 2<sup>nd</sup> Line of Defence – the position owns and manages the framework for risk management. Internal and External audit are the 3<sup>rd</sup> Line of Defence – providing independent verification on the effectiveness of processes and systems.</p> <p>By operating within the framework, risks are managed effectively to support the delivery of the Strategic, Corporate and Operational Plans.</p> <p>The Risk Management Framework has been subject to review by the Senior Management Team (September 2025). As a result, 22 major risk themes were identified for assessment, being:</p> <ol style="list-style-type: none"> <li>(1) Misconduct</li> <li>(2) External theft and fraud (inc Cyber Crime)</li> <li>(3) Business disruption</li> <li>(4) Damage to Physical Assets</li> <li>(5) Errors, omissions, delays</li> <li>(6) Failure of IT &amp; Communications Systems &amp; Infrastructure</li> <li>(7) Failure to fulfil statutory, regulatory or compliance requirements</li> <li>(8) Providing inaccurate advice/information</li> <li>(9) Inadequate project/change management</li> <li>(10) Inadequate organisation and community emergency management</li> <li>(11) Inadequate document management processes</li> <li>(12) Inadequate employee and visitor safety &amp; security</li> <li>(13) Inadequate engagement of Community/Stakeholders/Elected members</li> <li>(14) Inadequate Procurement, disposal or tender practices</li> <li>(15) Inadequate asset management</li> <li>(16) Inadequate Financial, Accounting or Business Acumen</li> <li>(17) Inadequate Natural Environmental Management</li> <li>(18) Inadequate Stock Management</li> <li>(19) Inadequate Supplier/Contract Management</li> <li>(20) Inadequate people Management</li> <li>(21) Ineffective management of facilities/venues/events</li> <li>(22) Not meeting Community expectations</li> </ol> <p>Updated/reviewed Risk Profile Assessment Sheets can be found in the Shire’s risk dashboard.</p> |
| 3 | <i>Does the local government have a current and effective Business Continuity Plan (including disaster recovery) which is tested from time to time?</i>   | <p>The Shire identified in the 2014 review that a Business Continuity Plan was to be developed.</p> <p>The Business Continuity Plan has been developed and adopted by Council on 26 June 2018. The review of the Plan was endorsed by Council in March 2024.</p>   |
| 4 | <i>How effective are the internal processes for determining and managing material operating risks in accordance with the local government’s identified tolerance for risk, particularly in the following areas:</i> | <p>Refer to the Shire’s risk dashboard.</p> <p>In addition, commencing in July 2022, the CEO has introduced a Project Plan for all Capex Projects over \$50K. This has the following:</p> <ul style="list-style-type: none"> <li>• Project Milestones</li> <li>• Risk Assessment</li> </ul>  |



|   |   |   |
|---|---|---|
|   | <p>a) <i>Potential non-compliance with legislation, regulations and standards and the local government's policies;</i></p> <p>b) <i>Important accounting judgements or estimates that prove to be wrong;</i></p> <p>c) <i>Litigation and claims;</i></p> <p>d) <i>Misconduct, fraud and theft; and</i></p> <p>e) <i>e. Significant business risks, recognising responsibility for general or specific risk areas, for example, environmental risk, occupational health and safety and how they are managed by the local government.</i></p> | <ul style="list-style-type: none"> <li>Financial Implications</li> <li>Project Deliverables</li> </ul> <p>These are to be completed prior to commencement of each project and completed at the end so that the deliverables can be examined. They are then stored in a file in the CEO Office.</p>  |
| 5 | <p><i>Are regular risk reports, which identify key risks, the status and the effectiveness of the risk management systems, provided to ensure that identified risks are monitored and new risks are identified, mitigated and reported.</i></p>   | <p>All new work sites are risk assessed (Take 5 and/or Job Safety Analysis – JSA) and documented by staff and contractors. Risk assessment will be produced and appropriate arrangements put in place for public events.</p> <p>Training is regularly programmed for specific and high risk activities, including first aid, chainsaw, manual handling, workplace behaviours and compilation of JSA's.</p> <p>SWMS have been developed for all areas of the outside Crew's tasks. All employees sign onto SWMS's. SWMS were reviewed by staff in March 2025.</p> <p>Notes are taking of daily pre-start meetings.</p> <p>Additional emphasis has been placed on WSH at Toolbox meetings and staff attend WSH meetings (held every three weeks) to increase awareness throughout the organisation.</p> <p>All contractors, employees and volunteers are required to undertake the LGIS Contractor induction (Part A – online and Part B – onsite). As part of this process, contractors are required to provide all insurance and licence documentation. This is stored on a software package called Velpic. This produces reminders when inductions, insurances, qualifications and licenses are expiring.</p> <p>Adhoc audits are undertaken by the CEO on civil works contractors on road projects.</p> |
| 6 | <p><i>Are the local government's processes to manage insurable risks adequate? How adequate is insurance cover, and if applicable, the level of self-insurance?</i></p>   | <p>The Shire's insurance cover and policy coverage is reviewed annually with the Shire's Insurance Broker (LGIS) to ensure appropriate insurances and cover amounts are in place.</p> <p><i>Local Government (Financial Management) Regulations 1996, Regulation 17A</i> requires the revaluation of assets within a period of at least three (3) years but no more than five (5) years after the day on which the asset was valued or revalued.</p> <p>Land and Buildings were last revalued in 2022 and will be revalued in 2027;</p> <p>Roads &amp; Other Infrastructure were last revalued in 2023 and will be revalued in 2028.</p> <p>During non-revaluation years, insurance values are generally adjusted in accordance with CPI movements.</p>   |



|   |   |  |
|---|---|--|
| 7 | <p><i>Has the effectiveness of the local government's internal control system been reviewed with management and the internal and external auditors?</i></p>                       | <p>Yes. In accordance with the <i>Local Government (Financial Management) Regulations 1996</i> the last internal financial management review was conducted by Dry Kirkness in August 2022. The review was presented to Council for endorsement on February 2023 – two significant findings were noted and processes have been amended to rectify the findings.</p> <p>The scope of the review by Dry Kirkness covered the following:</p> <ul style="list-style-type: none"> <li>A. Review risk management systems and operating risks</li> <li>B. Review business continuity plan</li> <li>C. Assess internal processes with regard to; <ul style="list-style-type: none"> <li>Potential non-compliance with legislation. Regulations and local government's policies;</li> <li>Important accounting judgements or estimates;</li> <li>Litigation and claims;</li> <li>Misconduct, fraud and theft;</li> <li>Significant business risks.</li> </ul> </li> </ul> <p>Extract from report:<br/> <i>"From the work performed during our review, we note that the financial management is generally in good order. In particular, we found that all major controls in relation to financial controls for the receipting of monies, control over expenditure, payroll, revenue and record keeping are in place and functional"</i></p> <p>The most recent review was undertaken by Dry Kirkness in October 2025.</p> <p>The duties and key areas the Shire had reviewed (but not limited to) for the period 1 July 2024 to 30 September 2025 include:</p> <ul style="list-style-type: none"> <li>• Bank reconciliations and Petty Cash</li> <li>• Trust Funds</li> <li>• Receipts and receivables</li> <li>• Rates</li> <li>• Fees and Charges</li> <li>• Purchases, payments and payables (Including Purchase Orders)</li> <li>• Salaries and wages</li> <li>• Credit Card procedures</li> <li>• Fixed Assets (Including acquisition and disposal of property)</li> <li>• Cost and administration overhead allocations</li> <li>• Minutes of meetings</li> <li>• Budget</li> <li>• Financial Reports</li> <li>• Registers (including Annual and Primary Returns)</li> <li>• Delegations</li> <li>• Audit Committee</li> <li>• Insurance</li> <li>• Storage of documents/record keeping</li> <li>• Plan for the future</li> <li>• General compliance and other matters</li> </ul> <p>The final report was received on 11 December 2025 and is attached to this report.</p> |
| 8 | <p><i>Does management have controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk?</i></p> | <p>In relation to unusual transactions that are once off, a credit card is used. The Chief Executive Officer and Manager Corporate Services are allocated credit cards and have an assigned credit limits. Guidelines for the use of credit cards are documented in Council Policy 3.8.</p> <p>Council has an <i>'Investment of Funds'</i> Policy 3.4 which states:</p>  |



|    |  |  |
|----|--|--|
|    |  | <p>Surplus funds to be deposited with any savings bank operating under the <i>Banking Act 1959 (Commonwealth) section 5</i>, in accordance with the <i>Trustees Act 1962 Part III</i> as amended from time to time.</p> <p>The Manager Corporate Services is to maintain control over investments and to record the details of principal, interest, bank rates and maturity date in a register for same and report to Council monthly as to the status of investments and details of each lodgement in terms of the <i>Local Government (Financial Management) Regulations 1996</i>.</p> <p>Additionally, no transfer of funds can be transacted without the Chief Executive Officer co-signing the transfer request.</p>  |
| 9  | <p><i>How effective and robust is the local government's procurement framework, with a focus on the probity and transparency of policies and procedures/processes? Are these procedures/processes being applied?</i></p> | <p>Council's purchasing is undertaken in accordance with its adopted Purchasing Policy 3.5, in accordance with the <i>Local Government (Functions and General) Regulations 1996</i>.</p> <p>A review of the policy is undertaken annually to ensure its relevance. The last review was undertaken in March 2025.</p> <p>The broad objective of Council's purchasing policy is to:</p> <ul style="list-style-type: none"> <li>• Ensure conformity to processes that are designed to achieve best value for money;</li> <li>• Improve accountability;</li> <li>• Encourage commercial competition on the basis that all tenders will be assessed against the same criteria;</li> <li>• Ensure consideration of environmental; impact and whole of life costs; and</li> <li>• Preserve public and tenderer confidence in local government processes; and</li> </ul> <p>These objectives are underpinned by five essential principles as follows:</p> <ul style="list-style-type: none"> <li>• Open competition;</li> <li>• Transparency of process;</li> <li>• Value for money;</li> <li>• Accountability; and</li> <li>• Monitoring and evaluating performance.</li> </ul> <p>All authorised staff are aware of the processes for procurement and are reminded regularly by email of their obligations to abide by Council policy.</p> <p>For any purchase over \$10,000 all employees are to follow the Request for Quotation (RFQ) procedure.</p> <p>This includes a:</p> <p>Form 1 for a description of the project, who is being sent the quote, selection criteria and closing date.</p> <p>Form 2 is what is sent out to the contractors/supplier.</p> <p>Form 3 is the compilation of the quotes received and awarding of the work. This is signed by the Officer and co-signed by the CEO on all occasions. The Form 3 is attached to the PO and all documentation is stored in the RFQ file in the CEO Office.</p> <p>The RFQ's are internally audited by a third party on a quarterly basis.</p> |
| 10 | <p><i>Should the need arise, does the Audit Committee meet periodically with key management, internal and external auditors and compliance staff to understand and discuss any changes in</i></p>                        | <p>There are six (6) members of Council on the Audit, Risk and Improvement Committee. Two (2) independent members and four (4) Councillors.</p>  |



|    |  |   |
|----|--|---|
|    | <i>the local government's control environment?</i>   | <p>The Committee meet with its Auditor every year to discuss the results of the annual audit and otherwise meets as and when required.</p> <p>The Administration is the driver of the Audit, Risk and Improvement Committee. Commencing in June 2025 the Audit committee will meet minimum three (3) times per year. New Terms of Reference were adopted in March 2025 and be provided with the following:</p> <p>Corporate Calendar<br/>Compliance register (previous 4 months)<br/>Findings of latest FMR (until all matters are finalised)<br/>Findings of Reg17 Review (until all matters are finalised)<br/>Annual Audit Findings (until all matters are finalised)<br/>CAR findings (until all matters are finalised)</p> |
| 11 | <i>Have fraud and misconduct risks been identified, analysed and evaluated? Has an appropriate treatment plan been implemented, communicated and monitored? Is there regular reporting and ongoing management of fraud and misconduct risks?</i> | <p>Yes – refer to the Shire of Dalwallinu risk theme “External Theft and Fraud” in the risk dashboard.</p> <p>100 Point ID Verification, qualification, license, WWC etc checks are now verified prior to a new employee commencing. Each employee is to now complete an Annual Declaration advising if anything has changed in their circumstances.</p> <p>There have been no reported cases of fraud.</p> <p>In addition, training was conducted with staff on Public Interest Disclosures in August 2025.</p> <p>Council adopted the first Fraud and Corruption Control Plan in September 2019. This is reviewed every two years and with last review date being September 2025.</p>   |

## b) Internal Control

Internal control systems involve policies and procedures that safeguard assets, ensure accurate and reliable financial reporting, promote compliance with legislation and achieve effective and efficient operations and may vary depending on the size and nature of the local government.

The following controls have been reviewed:

| Number | Details  | Comment  |
|--------|--|--|
| 1      | <i>Separation of roles and functions processing and authorising</i>    | <p>All financial roles have appropriate levels of separation, which have been confirmed by Council's Auditors, i.e. Creditors payments cannot be approved by the staff member processing the accounts.</p> <p>Access levels are checked by the Manager corporate Services showing all employees access levels.</p>   |
| 2      | <i>Control of approval of documents, letters and financial records</i> | <p>Council has a number of internal policies that deal with these issues, including for example:</p> <p>Council Policy 1.12 Use of Common Seal<br/>Council Policy 3.4 Investment of Surplus Funds<br/>Council Policy 3.2 Significant Accounting Policies<br/>Council Policy 3.7 Direct Electronic Payments<br/>Council Policy 3.15 Purchasing Cards<br/>Council Policy 3.5 Purchasing</p> <p>All correspondence if not signed by the Chief Executive officer is signed by the respective Manager.</p> <p>All transaction and changes to any internal record on Council's software package is traceable, via the internal audit function.</p> |



|   |  |   |
|---|--|---|
|   |  | <p>All financial records/reconciliations are approved by the Manager Corporate Services/Senior Finance Officer.</p> <p>Document control pages have been applied to all major internal documents, so that any changes are recorded and tracked appropriately.</p> <p>In accordance with <i>Local Government (Financial Management) Regulation 34(1)</i>, the Manager Corporate Services prepares, each month, a statement of financial activity reporting on revenue and expenditure for the month in question.</p> <p>An audited financial statement is included as part of the Annual Report. The independent Auditors Report for 2023-2024 noted that:</p> <p><i>In my opinion, the financial report is:</i></p> <ul style="list-style-type: none"> <li>(i) <i>based on proper accounts and records</i></li> <li>(ii) <i>presents fairly, in all material respects, the results of the operations of the Shire for the year ended 30 June 2024 and its financial position at the end of that period</i></li> <li>(iii) <i>in accordance with the Local Government Act 1995 (the Act) and, to the extent that they are not inconsistent with the Act, Australian Accounting Standards.</i></li> </ul> <p>The 2024-2025 Audit report is not available as yet.</p> |
| 3 | <i>Limit of direct physical access to assets and records</i>             | <p>All building and vehicle keys are stored in various locked key cabinets, restricting general access by staff.</p> <p>Fuel receipts for fuel which is purchased using the fuel cards are collected and reconciled on a monthly basis.</p> <p>Record access is controlled via the Synergy software that allows restricted access to each staff member subject to their level of clearance.</p> <p>Any changes to documents or documented records are recorded via the internal audit software (audit trail function).</p> <p>Most general records are stored in a locked room and can only be accessed when opened by the MCS.</p> <p>All Shire high priority records (minutes, legal agreements etc) are stored in the strong room, which is also locked.</p> <p>Personnel records are kept in locked cabinets, and only two officers have keys (MCS and Payroll Officer).</p>  |
| 4 | <i>Control of computer applications and information system standards</i> | <p>An external provider, Domain Digital is engaged to manage the data files and system.</p> <p>There is a Service Level Agreement with Domain.</p> <p>The provider ensures that all electronic files/data are stored on mirror drives and are backed up to the cloud.</p> <p>Restrictions have been placed on the level of access each staff member can have, generally to allow them to perform their specific functions. For example some staff only have the ability to view records and have no ability to modify or delete information in the system.</p>  |



|    |   |   |
|----|---|---|
| 5  | <i>Limit access to make changes in data files and systems</i>                                 | The Synergy software program allows for certain levels of access to be applied to each staff member. These access levels are approved by CEO and set & monitored by MCS.  |
| 6  | <i>Regular maintenance and review of financial control accounts and trial balances</i>        | All subsidiary ledgers (rates, creditors, debtors, payroll and trust) are balanced monthly by the relevant office and are checked by the MCS.   |
| 7  | <i>Comparison and analysis of financial results with budgeted amounts</i>                     | Each month an assessment of the budget variance is undertaken by the CEO and MCS and reported to Council in accordance with Regulation 34 of the <i>Local Government (Financial Management) Regulations 1996</i> .  |
| 8  | <i>The arithmetical accuracy and content of records</i>                                       | All accounts are double checked by an independent person prior to being authorised for payment.   |
| 9  | <i>Report, review and approval of financial payment and reconciliations</i>                   | <p>When an account is received, the creditor number is allocated, purchase order attached, GL/Job allocated, goods are signed off as received by the receiving officer, the computations are checked and signed off by the creditors officer and lastly the account is checked and authorised by the MCS or other Managers/Chief Executive Officer.</p> <p>The actual payment of the creditor requires one electronic token and two separate passwords (two staff), which is generally undertaken by the MCS and the CEO. The Manager Works Services and Manager Planning &amp; Development are also signatories should the need arise. A bank reconciliation is prepared by the Finance Officer monthly and checked by the MCS.</p> <p>A bank account audit report is conducted prior to each payment run to check that no bank account details have been amended without authorisation.</p> <p>An Internal Audit register is maintained which details the internal audits undertaken for Creditors, Payroll, Credit cards, records management, CCTV and the key register.</p> |
| 10 | <i>Comparison of the result of physical cash and inventory counts with accounting records</i> | <p>Only one float for the front counter is held and is checked on a regular basis.</p> <p>Generally, very little stock is kept on hand, as it is only ordered when required. Fuel is the only item that is subject to a monthly stock take and balancing.</p>   |
| 11 | <i>Credit Card payments</i>   | <p>The CEO and the MCS are the only two employees with a Corporate Credit Card.</p> <p>Receipts must be provided for all purchases.</p> <p>All transactions are approved by the MCS/CEO or MWS/MPDS. CEO/MCS cannot approve own transactions.</p>   |

### c) Legislative Compliance

| Number | Details  | Comment   |
|--------|--|---|
| 1      | <i>Monitor compliance with legislation and regulations</i> | <p>This is undertaken each year when the Compliance Audit Return is completed.</p> <p>Council's operations are subject to an external audit process each year.</p> <p>To assist with this process an internal 'Corporate Calendar' has been developed to ensure critical dates are not missed throughout the year e.g Annual Returns, review of delegations etc</p> |





|   |   |   |
|---|---|---|
|   |   | Additionally, the CEO/MCS regularly reviews any updates to legislation on the website and distributes changes to relevant officers.   |
| 2 | <i>Review the annual Compliance Audit Return and reporting to Council of the results of that review</i>   | Each year when the Compliance Audit Return is completed it is presented to the Audit Committee and Council for their endorsement within the required timeframe.                                   |
| 3 | <i>Review whether the local government has procedures to receive, retain and treat complaints, including confidential and anonymous employee complaints</i> | The Shire has adequate procedures that deal with such matters and are included in the Staff Induction Manual.<br><br>The CEO is the Complaints Officer.   |
| 4 | <i>Obtain assurance that adverse trends are identified and review management's plans to deal with these</i>   | Any adverse trends are generally highlighted in the annual Audit Report. Should an adverse trend be identified the matter is discussed with Council and a plan implemented if and where possible. |

The final report was received from Dry Kirkness on 11 December 2025. Overall this report was very pleasing. Appendix A of the report highlighted some recommended improvements. As noted under the "Management Comment" section of the report, the majority of these recommendations have been noted and implemented. This report will continue to be reviewed by the Audit, Risk and Improvement Committee until all matters are dealt with.

#### **Officer Recommendation/Committee Resolution**

##### **MOTION**

Moved            Cr SC Carter  
Seconded       Cr KL Carter

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

1. receives the independent Financial Management Review:
2. receives the Chief Executive Officer's Review of the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal controls and legislative compliance as detailed in the attached report.

**4/0**

**For:**            Mr IW Hyde, Mr N Wallis, Cr KL Carter, Cr SC Carter, Cr S Dawson  
**Against:**    Nil





# D

# K

DRY / KIRKNESS

FINANCIAL MANAGEMENT, RISK  
MANAGEMENT, INTERNAL CONTROL AND  
LEGISLATIVE COMPLIANCE REVIEW REPORT

SHIRE OF DALWALLINU  
11 December 2025

Accounting / Audit & Assurance /  
Bookkeeping / Self-Managed  
Superannuation Funds

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## DISCLAIMER

This report is provided in accordance with the agreed upon procedures engagement letter dated 15 May 2025 and is subject to its terms and conditions.

Our work was limited to that described in this report and was performed in accordance with ASRS 4400 as issued by AUASB. It did not constitute an examination or a review in accordance with generally accepted auditing standards or assurance standards. Accordingly, we provide no opinion or other form of assurance with respect to our work or the information upon which our work was based. We did not audit or otherwise verify the information supplied to us in connection with this review, except to the extent specified in this report.

Our work was based only on the information made available up to the date of the review. Accordingly, changes in circumstances after this date or the availability of other information could affect our findings

This report is intended solely for Shire of Dalwallinu's internal use and benefit and may not be relied on by any other party. We accept no liability or responsibility to any other party who gains access to this report.

## 1.1 Background

As outlined in our engagement letter dated 15 May 2025, we have been engaged to perform the following procedures in order for the Chief Executive Officer (CEO) to satisfy the requirements of Regulation 5(2) of the *Local Government (Financial Management) Regulations 1996* and Regulation 17 of the *Local Government (Audit) Regulations 1996*:

- (a) Review the Shire's compliance with Local Government laws and regulations through enquiry, inspection and observation.
- (b) Review the appropriateness and effectiveness of the Shire's systems and procedures in relation to financial management, risk management and internal controls by performing system walkthroughs, enquiry, inspection, and observation.

Our review covered the period 1 July 2024 to 30 September 2025 in relation to financial management controls and we performed our procedures in October 2025.

The Shire of Dalwallinu is a local government based in Western Australia. The Shire is governed by eight (8) Councilors responsible for planning and making decisions on policies and developments affecting the area.

At the time of the review, the Shire employed approximately thirty (30) staff to implement the Council's decisions, running its day-to-day operations and providing a range of programs and services for the community.

## 1.2 Scope and Methodology

The objective of this review is to assess the Shire's compliance with Local Government laws and regulations through enquiry, inspection and observation and review the appropriateness and effectiveness of the Town's system and procedures in relation to risk management, internal control and financial management systems by performing system walkthroughs, enquiry, inspection and observation.

The scope included review of the policies, procedures and plans in the areas and cycles described in Appendix B to this report.

### 1.2.1 Risk Management Scope:

- Review risk management systems and operating risks;
- Review business continuity plan;
- Assess the internal processes for determining and managing material operating risks in accordance with the local government's identified tolerance for risk, with regard to;
  - potential non-compliance with legislation, regulations and standards and local government's policies;
  - important accounting judgements or estimates that prove to be wrong;
  - litigation and claims;
  - misconduct, fraud and theft;
  - significant business risks, recognizing responsibility for general or specific risk areas, for example, environmental risk, occupational health and safety, and how they are managed by the local government.
- Review risk reports identifying key risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported;
- Assess the adequacy of local government processes to manage insurable risks and ensure the adequacy of insurance cover;
- Review the effectiveness of the local government's internal control system with management and the internal and external auditors;
- Assess whether management has controls in place for unusual types of transactions and/or any potential transactions that might carry more a high degree of risk;
- Assess the local government's procurement framework and whether these policies and procedures are being applied;
- Ascertain whether fraud and misconduct risks have been identified, analyzed, evaluated, an appropriate treatment plan has been implemented, communicated, monitored and there
- is regular reporting and ongoing management of fraud and misconduct risks.

### Risk Management Methodology:

- Conduct interviews with key personnel involved in the risk management process;
- Review policies, frameworks and plans and assess compliance with industry best practice;
- Assess whether actual practices are in accordance with approved policies, frameworks and plans;
- Determine whether the Risk Management principles are in accordance with AS/NZS ISO 31000:2018;
- Review insurance policies to assess the adequacy of insurance cover; and
- Report on the appropriateness and the effectiveness of the current systems and procedures.

### Internal Controls Scope:

The following controls were reviewed:

- separation of roles and functions, processing and authorization;
- control of approval of documents, letters and financial records;
- comparison of internal data with other or external sources of information;
- limit of direct physical access to assets and records;
- control of computer applications and information system standards;
- limit access to make changes in data files and systems;
- regular maintenance and review of financial control accounts and trial balances;
- comparison and analysis of financial results with budgeted amounts;
- the arithmetical accuracy and content of records;
- report, review and approval of financial payments and reconciliations; and
- comparison of the result of physical cash and inventory counts with accounting records.

### Internal Controls Methodology:

- Conduct interviews with key personnel involved in the various internal control process;
- Review policies, plans and assess compliance with industry best practice;
- Assess whether actual practices are in accordance with approved policies, frameworks and plans;
- Performed walkthroughs of all significant transaction cycles. Our decision to perform a walkthrough was based on the significance of a particular cycle in terms of either the dollar value it represented in the annual financial statements (reference year 2023/24) or the strategic importance as noted in the Regulations or discussions from management;
- Obtained an understanding of the Shires IT operating systems and reviewed user access rights to determine whether appropriate segregation has been achieved;
- Report on the appropriateness and the effectiveness of the current systems and procedures.

### Legislative Compliance Scope:

The following areas of the legislative compliance process was reviewed:

- Compliance with legislation and regulations;
  - Annual Compliance Audit Return and reporting to Council the results of that review;
  - Procedures for receiving and treating complaints, including confidential and anonymous employee complaints;
  - Obtain assurance that adverse trends are identified and review management's plans to deal with these;
  - Management disclosures in financial reports;
  - Whether the internal and/or external auditors have regard to compliance and ethics risks in the development of their audit plan and in the conduct of audit projects and report compliance and ethics issues to the Audit Committee;
  - Compliance frameworks dealing with relevant external legislation and regulatory requirements;
- Legislative and regulatory requirements imposed on Audit Committee members, including not misusing their position to gain an advantage for themselves or another or to cause detriment to the local government and disclosing conflicts of interest.

### Legislative Compliance Methodology:

- Conduct interviews with key personnel involved in the various internal control process;
- Review policies, plans and assess compliance with industry best practice;
- Assess whether actual practices are in accordance with approved policies, frameworks and plans;
- Reviewed key documents and plans to determine if the plans that are required by legislation are adopted and current.
- Report on the appropriateness and the effectiveness of the current systems and procedures.

### 1.2.2 Financial Management Review Scope:

As agreed, our examination covered the period 1 April 2019 to 31 March 2022. We examined the following financial systems and procedures of the Shire:

- Bank reconciliations and Petty Cash
- Trust Funds
- Receipts and receivables
- Rates
- Fees and Charges
- Purchases, payments and payables (Including Purchase Orders)
- Salaries and wages
- Credit Card procedures
- Fixed Assets (Including acquisition and disposal of property)
- Cost and administration overhead allocations
- Minutes of meetings
- Budget

- Financial Reports
- Registers (including Annual and Primary Returns)
- Delegations
- Audit Committee
- Insurance
- Storage of documents/record keeping
- Plan for the future
- General compliance and other matters

#### Financial Management Review Methodology:

- Conduct interviews with key personnel involved in the various internal control process;
- Review policies, plans and assess compliance with industry best practice;
- Assess whether actual practices are in accordance with approved policies, frameworks and plans;
- We compared this listing and the relevant areas covered by these policies to the Local Government Act and Regulations, in particular the Local Government (Financial Management) Regulations, as amended from time to time;
- We noted areas of concern, in particular where we identified a lack of documented policies and procedures, or where documented policies and procedures deviated from the requirements of the Regulations;
- We performed walkthroughs of all significant transaction cycles. Our decision to perform a walkthrough was based on the significance of a particular cycle in terms of either the dollar value it represented in the annual financial statements (reference year 2020/21) or the strategic importance as noted in the Regulations or discussions from management;
- From these walkthroughs we noted areas of concern for discussion with management. Areas of concern include any significant deviation from the documented framework, or where the current framework did not address key risk areas;
- From the work performed above, we prepared a draft report to identify specific key risk areas and potential improvement recommendations.



## Outcomes

### 1.2.3 Risk Management, Legislative Compliance and Internal Controls Review

#### Risk Management

The Shire has adopted and implemented a Risk Management Framework based on AS/NZS ISO 31000:2018 Risk Management – Guidelines, setting out the Shire’s approach to the identification, assessment, management, reporting and monitoring of risks. The Framework was adopted by Council in 2014 with a recent review in September 2025.

The Shire’s risk management process is effective in identifying risks and improvements throughout the Shire’s key business areas.

#### Internal Controls

The Shire has a number of policies and procedures documented and implemented over key financial areas. Considering the size, resources and operations of the Shire the internal control framework, policies and procedures as described to us are appropriate for most areas of operations.

We have, however, identified some recommendations for improvements.

Our findings in relation to these areas are categorized as “Moderate” or “Minor”, which indicate a generally sound internal control environment.

#### Legislative Compliance

The Council has adopted various governance policies. The Executive Manager Governance and Compliance is responsible for ensuring that legislative requirements are met, a compliance calendar is used in this process.

The Shire’s legislative compliance process is appropriate and effective for most areas of operations with only 2 findings in relation to this area categorized as “Moderate”.

### 1.2.4 Financial Management Review

From the work performed during our review, we note that the financial management framework is generally in good order.

In particular, we found that all major controls in relation to financial controls for the receipting of monies, control over expenditure, payroll, revenue and record keeping are in place and functional.

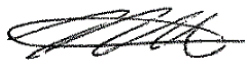
We only have 1 finding in relation to payroll categorized as “Minor”, which indicate a generally good financial management framework.

Our detailed recommendations for improvement identified during our review can be found in [Appendix A](#) of this report.

These recommendations have been discussed with management and action plans to address these risks within acceptable timeframes were agreed on.

We would like to take this opportunity to thank all staff involved in this review for their courteous assistance, in particular Jean Knight, Hanna Jolly, Kristie Andrews and the rest of the administration and finance team.

DRY KIRKNESS (AUDIT) PTY LTD



Robert Hall CA  
Director

Date: 11 December 2025

# APPENDIX A: RECOMMENDED IMPROVEMENTS

## RISK RATINGS

The Ratings in this Appendix are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Risk ratings have been assigned to issues raised in this report as follows:

|                       |             |  |
|-----------------------|-------------|--|
| Control is Inadequate | Extreme     | Can be expected to occur in most circumstances; more than 75% chance of occurring; complex process with minimal checks & balances; impacting factors outside the control of the organisation.<br>Those findings where there is potentially an extreme risk to the entity should the finding not be addressed by the entity promptly. |
|                       | Significant | Will probably occur in most circumstances; 50-75% chance of occurring; complex process with some checks & balances; impacting factors outside the control of the organisation.<br>Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly.             |
|                       | Moderate    | Might occur at some time; 25 – 50% chance of occurring; previous audits/reports indicate non-compliance; complex process with extensive checks & balances; impacting factors outside control of organisation.<br>Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.  |
| Control is Adequate   | Minor       | Could occur at some time; less than 25% chance of occurring; non-complex process &/or existence of checks and balances.<br>Those findings that are not of primary concern but still warrant action being taken.  |

## APPENDIX A: RECOMMENDED IMPROVEMENTS

|                                      | Area   | Audit Findings/Comment  | Rating | Implication  | Recommendation  | Management Comment   |
|--------------------------------------|--|---|--------|--|---|--|
| Financial Management Review Controls |  |   |        |  |   |  |
| 1                                    | Payroll<br><br>Reference Checks for new employees are not consistently performed | We noted that reference checks are not consistently performed as part of the recruitment process. Management advised that reference feedback is often unreliable, as referees usually provide favourable comments regardless of the candidate's true performance. Therefore, management considers reference checking for casual and lower-risk administrative roles to be of limited value and a less efficient use of resources. | Minor  | When reference checks are not performed consistently, there is an increased risk of hiring unsuitable candidates. This can negatively affect staff performance, workplace culture, and overall productivity.<br><br>Inadequate checks may also lead to additional recruitment and training costs if the employee is later found to be unsuitable for the role. | Management should ensure reference checks are completed for all recruitment processes or document clear justification where they are not performed. | <i>Noted.</i><br><br><i>Management believes that reference checks do not provide extra value on every occasion to the recruiting process as candidates tend to mark down a referee to provide positive feedback only.</i><br><br><i>However, management has amended the documentation to clearly list reference check requirements and questions. This will be filed for each candidate going forward.</i> |

|                          | Area                        | Audit Findings/Comment  | Rating   | Implication   | Recommendation  | Management Comment  |
|--------------------------|-----------------------------|---|----------|---|---|---|
| <b>Internal Controls</b> |                             |   |          |   |   |   |
| 2                        | IT Control Environment      | We noted that the Shire does not have insurance for business disruption due to system failure.  | Moderate | Without business disruption insurance the Shire is exposed to the potential risk of financial loss incurred because of business disruptions.  | The Shire should consider taking out adequate insurance cover for business disruption due to system failure to mitigate any potential financial loss.   | <i>Noted.<br/>Insurance policies are reviewed annually by the management including the business disruption insurance. We will note this recommendation for the next annual review.</i>  |
| 3                        | Credit Card Review          | We note that the CEO's credit card transactions and monthly statement is reviewed by the Manager of Corporate Services or another manager, both of which report directly to the CEO.              | Moderate | There is an increased risk of fraudulent or unauthorised purchases as the CEO's credit card is not reviewed by another person with higher authority.  | The CEO's credit card statements are authorised and reviewed by either the Shire President or Deputy President.   | <i>Noted.<br/>As per the Local Government Act - Councillors should not be involved in Administration matters hence the checks are done by another manager. Councillors do see all credit card purchases as part of the monthly accounts for payment item.</i> |
| 4                        | Fixed Assets Reconciliation | We note that the monthly reconciliation of the Fixed Assets Register to the SynergySoft accounting records is performed by the Manager of Corporate Services and reviewed by the Finance Officer. | Minor    | Whilst the reconciliation of the Fixed Assets Register to the SynergySoft accounting records is performed by a competent member of management, the review thereof is not performed by a senior member of management who may lack the skills and experience to perform the review. | Management should consider changing the responsibility for the performance of the reconciliation to the Finance Officer and the responsibility for the review of the month reconciliation to the Manager of Corporate Services. | <i>Noted.<br/>Management has considered this and will add another level of authorisation for the monthly asset reconciliation to be signed by the CEO as well.</i>  |

|                        | Area                    | Audit Findings/Comment  | Rating   | Implication  | Recommendation  | Management Comment  |
|------------------------|-------------------------|---|----------|--|---|---|
| Legislative Compliance |                         |   |          |  |   |   |
| 5                      | Register of Delegations | We noted that per the Register of Delegations which was last reviewed in March 2025, the maximum approval limit of payments delegated to the CEO is set at \$150,000 before authorisation is required from the Council. This is not in line with the Purchasing Policy which sets the maximum approval limit of payments before the requirement for Public Tender and approval by Council at \$250,000. | Moderate | Whilst approving payments exceeding \$150,000 but not exceeding \$250,000 is in line with the Tendering Policy, the CEO may be acting outside delegated authority limits as set in the Register of Delegations.  | We recommend that the Register of Delegations be amended to increase the delegated authority of the CEO to approve payments up to the value of \$250,000 in line with the Tendering Policy. | <i>Noted.</i><br><br><i>Our internal policy is that Council wants to award any purchases over \$150,000 hence the delegation is only for up to \$150,000.</i> |
| 6                      | Records Management      | Employees receive training in respect of records management on initial commencement of employment and informally as required thereafter but none of which is formally recorded.   | Moderate | The Shire is not able to formally demonstrate that the required training has been provided to employees and there is a risk that employees will not manage and store records in a manner required by the Records Management Plan and State Records Act 2000. | We recommend that records management training is provided to the necessary employees on a regular basis and is officially recorded as evidence of having been formally conducted.           | <i>Noted.</i><br><br><i>We will ensure that all records training is formally conducted and recorded in the future.</i>  |

## APPENDIX B: LIST OF POLICIES, PROCEDURES, PLANS AND DOCUMENTS COVERED BY THIS REVIEW

| Shire Polices   | Shire Plans  | Shire Procedures and Documents  |
|---|--|---|
| Governance <ul style="list-style-type: none"> <li>Workplace Health &amp; Safety</li> <li>Complains Management</li> <li>Information Handling &amp; Breaches</li> </ul> | Workforce Plan   | Payroll Procedures  |
| Community Support <ul style="list-style-type: none"> <li>Business Investment</li> </ul>   | Community Engagement Plan  | Purchasing Procedures<br>Credit Card Procedures<br>Fuel Allocation Procedures   |
| Finance <ul style="list-style-type: none"> <li>Significant Accounting Policies</li> <li>Purchasing/Procurement Policy</li> <li>Purchasing Cards</li> </ul>            | Strategic Community & Corporate Business Plan  | Rates Procedures<br>Debt Collection Procedures<br>Front Counter Receipting Procedures<br>Daily Cash Balancing Procedures<br>End of Month Bank Reconciliation Procedures |
| Staff   | Strategic Resources Plan<br>(incorporating Long Term Financial Plan & Asset Management Plan) | Delegation Register   |
| Works   | Strategic Information & Communications Technology Plan                                       | Risk Register   |
| Planning  | Business Continuity Plan   | Gift Register<br>Notable Gift Register  |
| Administration <ul style="list-style-type: none"> <li>Risk Management Policy</li> </ul>   | Waste Management Plan  | Register of Financial Interests   |
|   | Record Keeping Plan  | Register of Policies  |
|   | Communication Plan   |   |



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**7 SCHEDULING OF MEETINGS**

The next scheduled dates for the 2026 Audit, Risk and Improvement Committee Meetings are;

- Tuesday 17 March 2026
- TBA

at a time to be decided.

**8 CLOSURE**

There being no further business, the Chairperson closed the meeting at 4.17pm.

**9 CERTIFICATION**

I, Ian William Hyde, certify that the minutes of the Audit & Risk Management Committee meeting held on the 16 December 2025 as shown on pages 1 to 71 were confirmed as a true record at the meeting held on 00 month 2026.

\_\_\_\_\_  
CHAIRPERSON

\_\_\_\_\_  
DATE

