



Shire of **Ngaanyatjaraku**
ON A JOURNEY

ATTACHMENTS

**Audit, Risk and
Improvement Committee
29 April 2026**

Attachments

Item No.	Title	Page No
8.1	Minutes – ARIC Meeting held on 17 December 2025.....	3
9.1.	Policy review	13
9.2	Risk Management Strategy 2026.....	28
9.4	Compliance Calendar	47



Shire of **Ngaanyatjaraku**
ON A JOURNEY

**AUDIT, RISK AND IMPROVEMENT
COMMITTEE MEETING**


MINUTES

**17 December 2025
12.30pm**

SHIRE OF NGAANYATJARRAKU

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

The Chief Executive Officer recommends the endorsement of these minutes at the next Audit, Risk and Improvement Committee meeting



David Mosel
CHIEF EXECUTIVE OFFICER
12 December 2025

These minutes were confirmed by the audit and Risk Committee as a true and correct record of proceedings of the Audit, Risk and Improvement Committee held on 17 December 2025.

Cr Damian McLean
Shire President

Contents

1.	DECLARATION OF OPENING	4
2.	ANNOUNCEMENT OF VISITORS	4
3.	RECORD OF ATTENDANCE.....	4
	3.1 PRESENT	4
	Attendees	4
	3.2 APOLOGIES	4
	3.3 APPROVED LEAVE OF ABSENCE.....	4
4.	PUBLIC QUESTION TIME	4
	4.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE	4
	4.2 PUBLIC QUESTION TIME	4
5.	APPLICATIONS FOR LEAVE OF ABSENCE.....	4
6.	DECLARATIONS BY MEMBERS	4
	6.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA.....	4
	6.2 DECLARATIONS OF INTEREST	5
7.	TERMS OF REFERENCE	6
8.	CONFIRMATION OF MINUTES OF THE PREVIOUS MEETING	6
	8.1 MINUTES OF COMMITTEE MEETING HELD.....	6
9.	AGENDA ITEMS.....	7
	9.1 Annual Financial Report and Audit Report 2024/2025	7
	9.2 Regulation 17 & 5 (2) Audit Review.....	13
	9.3 Compliance Calendar.....	17
10	NEW BUSINESS OF AN URGENT NATURE AS ADMITTED BY DECISION	19
11	CONFIDENTIAL MATTERS.....	19
12	NEXT MEETING	19
13	CLOSURE OF MEETING	19

1. DECLARATION OF OPENING

The Presiding Member declared the meeting open at 1.00pm

2. ANNOUNCEMENT OF VISITORS

The Presiding Member welcomed members of the public to the gallery.

3. RECORD OF ATTENDANCE

3.1 PRESENT

Attendees

Council:

Shire President

Deputy Shire President

Councillors

D McLean

D Frazer

J Porter

J Frazer

P Thomas

Staff:

Chief Executive Officer

Finance Officer

Governance Manager

D Mosel

M Pacsen

T Baldock

Guests:

Judy Thompson – UHY Haines Norton

3.2 APOLOGIES

3.3 APPROVED LEAVE OF ABSENCE

4. PUBLIC QUESTION TIME

4.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

4.2 PUBLIC QUESTION TIME

5. APPLICATIONS FOR LEAVE OF ABSENCE

6. DECLARATIONS BY MEMBERS

6.1 DUE CONSIDERATION BY COUNCILLORS TO THE AGENDA

Councillors are requested to give due consideration to all matters contained in the agenda presently before the meeting.

6.2 DECLARATIONS OF INTEREST

Councillors to note:

A member who has an Impartiality, Proximity or Financial Interest in any matter to be discussed at a Council or Committee meeting, that will be attended by the member, must disclose the nature of the interest:

- (a) In a written notice given to the Chief Executive Officer before the meeting, or
- (b) At the meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest must not:

- (a) Preside at the part of the meeting relating to the matter, or
- (b) Participate in or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under *Section 5.68* or *Section 5.69* of the *Local Government Act 1995*.

NOTES ON DECLARING INTEREST (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have an interest in the matter.

These notes are included in each agenda so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor, or a person closely associated with the Councillor and is capable of being measured in money terms. There are exceptions in the *Local Government Act 1995*, but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with no less than 10 members (i.e. sporting, social, religious, etc), and the Councillor is not a holder of office of profit or a guarantor and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of that Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt, declare.
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the agenda, and immediately before the matter is discussed.

6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
- 6.1 Where the Councillor discloses the extent of the interest, and Council carries a motion under *Section 5.68 (1)(b)(ii)* of the *Local Government Act 1995*; or
- 6.2 Where the Minister allows the Councillor to participate in under *Section 5.69 (3)* of the *Local Government Act 1995*, with or without conditions.

Declarations of Interest provided:

No declarations of interested were provided

7. TERMS OF REFERENCE

Under the Local Government Act 1995, Local Governments are required to appoint an Audit Committee (Section 7.1A of the Local Government Act 1995).

An Audit and Risk Committee is to provide guidance and assistant to the Local Government – as to the carrying out of its functions in relation to audits carried out under Part 7 of the Act and as to the development of a process to be used to select and appoint an person to be an auditor and may provide guidance and assistance to the Local Government as to – matters to be audited, the scope of audits, its functions under Part 6 of the Act and the carrying out of its functions relating to other audits and other matters related to financial management (clause 16 Local Government (Audit) Regulations 1996).

8. CONFIRMATION OF MINUTES OF THE PREVIOUS MEETING

8.1 MINUTES OF COMMITTEE MEETING HELD

Voting Required

Simple Majority

Committee Resolution and Officer Recommendation

Moved: Cr P Thomas

Seconded: Cr D Frazer

That the Unconfirmed Minutes of the Audit and Risk Committee Meeting held on 26 March 2025 at the Council Chambers, Tjulyuru Cultural and Civic Centre, Warburton Community (as circulated and available on the Shires official website) be confirmed as a true and accurate record.

Carried 4/0

Voting For: Cr D McLean, Cr P Thomas, Cr D Frazer, Cr J Porter

9. AGENDA ITEMS

9.1 Annual Financial Report and Audit Report 2024/2025

File Reference:	FM.04
Reporting Officer:	David Mosel, Chief Executive Officer
Date Report Written:	10 th December 2025
Disclosure of Interest:	The author has no financial, proximity, or impartiality interests in the proposal.
Voting Requirement:	Absolute Majority

Summary

The Audit, Risk and Improvement Committee (ARIC) is requested to review and recommend to Council the adoption of the 2025 Annual Financial Report, Audit Management Letter, and applicable budget amendments.

Background

In accordance with section 7.9 of the *Local Government Act 1995* (the Act), an auditor is required to examine the accounts and annual financial report of a local government. Upon completion of the audit, the auditor must prepare a report and submit it by 31 December following the end of the financial year to:

- (a) The Mayor or President,
- (b) The Chief Executive Officer (CEO), and
- (c) The Minister.

Under *Regulation 10(4) of the Local Government (Audit) Regulations 1996*, the auditor may also prepare a Management Letter, which provides additional commentary on the audit process, internal control issues, or any other matters deemed relevant. While generally not material in relation to the overall audit of the financial report, are nonetheless considered relevant to the day-to-day operations of the Shire. This Management Letter accompanies the auditor's report and is similarly forwarded to the individuals specified under section 7.9 of the Act.

The Office of the Auditor General (OAG), with Pitcher Partners as its contracted auditor for the second consecutive year, conducted the Shire's 2024/25 financial year audit.

The final audit occurred between 3rd October 2025 and 25 November 2025, with follow-up discussions continuing up to and including the 3rd December 2025.

The Final Audit Exit Meeting was held on 25 November 2025, attended by the Presiding Member of the Audit and Risk Committee, CEO and Shire officers. This satisfies the requirement of section 7.12A(2) of the Act requiring a local government to meet with its auditor at least once every year. During the meeting, the auditors presented an overview of the audit, including:

1. Areas of focus
2. Prior year restatements
3. Management letter points

The Audit and Risk and Improvement Committee (ARIC), under its terms of reference, is required to:

1. Review the auditor's reports after considering a report from the CEO on the matters raised.
2. Assess whether any matters raised require action by the local government.
3. Ensure appropriate responses and remedial actions are implemented.

In the instance that the auditor raised findings considered significant in the audit report, the ARIC must consider a report prepared by the CEO addressing those significant findings, and state what action the local government has taken or intends to take with respect to each of those findings. As per section 7.12A(4) of the Act:

- within three months of receiving the auditor's report it must be provided to the Minister, and
- a copy of the report published on the local government's official website within 14 days after a local government gives a report to the Minister.

This agenda item ensures compliance with the legislative requirements of the *Local Government Act 1995*, the *Local Government (Audit) Regulations 1996*, and the *Local Government (Financial Management) Regulations 1996*, while facilitating the necessary review and recommendation process for the adoption of the Annual Financial Report.

Comments

This report is the Annual Financial Report and Audit Report 2024/2025, prepared by the CEO for the Audit, Risk and Improvement Committee (ARIC) to review and recommend adoption of the audited financial statements, audit management letter, and related budget amendments. It explains compliance requirements under the *Local Government Act 1995* and associated regulations, outlines the audit process conducted by the Office of the Auditor General and Pitcher Partners, and confirms that no significant issues were identified, with only minor findings addressed in the management letter.

It is noted that the Shire of Ngaanyatjarraku has received a clear (unmodified) audit opinion from the OAG.

Audit Findings

The 2024/25 final audit did not identify any issues or matters requiring attention. The accompanying Management Letter provides additional detail on minor findings, including audit recommendations and management responses. None of the findings were classified as significant.

The report is considered confidential to mitigate the risk of exposing the Shire to potential fraudulent or illegal activities if released publicly.

Audit findings are generally rated as significant, moderate, or minor. For this audit, no significant issues were reported, and overall, the audit outcome was satisfactory.

2024/25 Operating Result

The Shire's audited financial report for the year ended 30 June 2025 was signed off on 4 December 2025, reporting an operating deficit of \$1.5 million. This result is primarily due to depreciation expenses, which are non-cash accounting adjustments and do not represent a cash shortfall. The deficit was partially offset by the early receipt of the Financial Assistance Grant for 2025/26.

Auditors identified two misstatements in the financial report:

- GST treatment on the Financial Assistance Grant
- Asset revaluations

Despite these findings, the Shire demonstrated strong financial management. These savings were achieved mainly through salary reductions due to vacancies, although offset by increased expenditure in Materials and Contracts.

Statutory Environment

Local Government Act 1995

6.4. Financial report

- (1) *A local government is to prepare an annual financial report for the preceding financial year and such other financial reports as are prescribed.*
- (2) *The financial report is to —*
 - (a) *be prepared and presented in the manner and form prescribed; and*
 - (b) *contain the prescribed information.*
- (3) *By 30 September following each financial year or such extended time as the Minister allows, a local government is to submit to its auditor —*
 - (a) *the accounts of the local government, balanced up to the last day of the preceding financial year; and*
 - (b) *the annual financial report of the local government for the preceding financial year.*

s7.9 Audit to be conducted

- (1) *An auditor is required to examine the accounts and annual financial report submitted for audit and, by the 31 December next following the financial year to which the accounts and report relate or such later date as may be prescribed, to prepare a report thereon and forward a copy of that report to —*
 - (a) *the mayor or president; and*
 - (b) *the CEO of the local government; and*
 - (c) *the Minister.*

- (2) Without limiting the generality of subsection (1), where the auditor considers that —
 - (a) there is any error or deficiency in an account or financial report submitted for audit; or
 - (b) any money paid from, or due to, any fund or account of a local government has been or may have been misapplied to purposes not authorised by law; or
 - (c) there is a matter arising from the examination of the accounts and annual financial report that needs to be addressed by the local government, details of that error, deficiency, misapplication or matter, are to be included in the report by the auditor.
- (3) The Minister may direct the auditor of a local government to examine a particular aspect of the accounts and the annual financial report submitted for audit by that local government and to —
 - (a) prepare a report thereon; and
 - (b) forward a copy of that report to the Minister, and that direction has effect according to its terms.
- (4) If the Minister considers it appropriate to do so, the Minister is to forward a copy of the report referred to in subsection (3), or part of that report, to the CEO of the local government

7.12A. Duties of local government with respect to audits

- (1) A local government is to do everything in its power to —
 - (a) assist the auditor of the local government to conduct an audit and carry out the auditor’s other duties under this Act in respect of the local government; and
 - (b) ensure that audits are conducted successfully and expeditiously.
- (2) Without limiting the generality of subsection (1), a local government is to meet with the auditor of the local government at least once in every year.
- (3) A local government must —
 - (aa) examine an audit report received by the local government; and
 - (a) determine if any matters raised by the audit report, require action to be taken by the local government; and
 - (b) ensure that appropriate action is taken in respect of those matters
- (4) A local government must —
 - (a) prepare a report addressing any matters identified as significant by the auditor in the audit report, and stating what action the local government has taken or intends to take with respect to each of those matters; and
 - (b) give a copy of that report to the Minister within 3 months after the audit report is received by the local government.
- (5) Within 14 days after a local government gives a report to the Minister under subsection (4)(b), the CEO must publish a copy of the report on the local government’s official website.

Local Government (Audit) Regulations 1996

Local Government (Financial Management) Regulations 1996

Local governments are required to present to Council an audited annual financial report for the preceding financial year, within specified timeframes as prescribed.

Section 7.13 Regulations as to audits

1. *Regulations make provisions as follows –*
 - i. *Requiring local governments to carry out, in the prescribed manner and in a form approved by the Minister, an audit of compliance with such statutory requirements as are prescribed whether those requirements are –*
 - ii. *Of a financial nature or not; or*
 - iii. *Under this Act or another written law*

Financial Implications

Adopting the Annual Financial Report ensures compliance with statutory financial reporting obligations and promotes transparency for both Council and the community.

Strategic Implications

Plan for the Future 2021-2031

Our Leadership

Outcome 8 – A well-functioning organisation

8.1 Maintain corporate governance, responsibility and accountability

Risk Management

The audited Annual Financial Report is a critical control tool, ensuring transparency and accountability in the Shire's financial management. It communicates to Council and stakeholders that the financial position, operational outcomes, cash flows, equity changes, and financial activities are free from material misstatements due to fraud or error.

The audit findings highlight areas where improvements are necessary, prompting management to either implement corrective measures or recommend reviews of existing processes. These actions support the Shire's ongoing efforts to maintain robust internal controls and sound financial governance.

The report also evaluates Council's financial capacity to meet its strategic and operational objectives. Identified variances or findings may highlight the need to reassess budget assumptions, workforce allocation, or overall resource capacity to achieve strategic goals effectively.

A recommendation from the Committee for Council to adopt the Annual Financial Report, Audit and Management Reports, and the CEO's Report is crucial to ensure compliance with statutory requirements. Failure to adopt these documents could delay the approval of the 2024/25 Annual Report, which would, in turn, impact the timely scheduling of the Annual Electors' Meeting (AEM).

This represents a significant risk, as it could disrupt compliance with statutory obligations related to the AEM.

Policy Implications

There are no known policy implications for this matter.

Attachments

9.1a - Management Representation Letter 2024/25

9.1b - Audited Annual Financial Report 2024/25

9.1c – Auditor Opinion 2024/25

9.1d - Audit Management Letter 2024/25

9.1.d -Audit Closing report – (Confidential attachment to Elected members and Staff only)

This attachment is confidential in accordance with section 5.23(2) of the Local Government Act 1995 section 5.23(2)(f)(ii) as it contains “a matter that if disclosed, could be reasonably expected to endanger the security of the local governments property”.

Voting

Absolute Majority

Committees Recommendation and Officers Recommendation

Moved: Cr D Frazer

Seconded: Cr J Porter

That the Audit and Risk Committee recommends that Council by Absolute Majority:

1. Receive the Chief Executive officer’s report relating to the audit.
2. Receive the:
 - (a) Management Representation Letter 2024-25 as per attachment 9.1a
 - (b) Audited Annual Financial Report including the Independent Auditors Report as per attachment 9.1b
 - (c) Auditor Opinion 2024-25 as per attachment 9.1c
 - (d) Audit Management Letter 2024-25 as per attachment 9.1d; and
 - (e) Audit closing report as per Confidential attachment.
3. That Council adopt the Audited Annual Financial Report (attachment 9.1b) and the Audit Management Letter for the year ended 30 June 2025 as per attachment 9.1d and 9.1e respectively.

Carried 4/0

Voting For: Cr D McLean, Cr P Thomas, Cr D Frazer, Cr J Porter

9.2 Regulation 17 & 5 (2) Audit Review.

File Reference:	FM.04
Reporting Officer:	David Mosel, Chief Executive Officer
Date Report Written:	17 December 2025
Disclosure of Interest:	The author has no financial, proximity, or impartiality interests in the proposal.
Voting Requirement:	Absolute Majority

Summary

Regulation 17 of the *Local Government (Audit) Regulations* requires the Chief Executive Officer (CEO) to review the appropriateness and effectiveness of a local government's systems and procedures in relation to risk management, internal control and legislative compliance.

The Shire of Ngaanyatjaraku engaged Dry Kirkness to undertake this review on behalf of the CEO.

This report presents the findings of that review to the Audit, Risk and Improvement Committee and subsequently to Council.

Background

This review was conducted to satisfy the requirements of:

- **Regulation 5(2) of the Local Government (Financial Management) Regulations 1996** (Financial Management Review)
- **Regulation 17 of the Local Government (Audit) Regulations 1996** (Risk Management, Internal Control, and Legislative Compliance Review)

In line with Regulation 17 requirements, the Shire's last review was undertaken by Moore in 2021 and was presented to the Audit and Risk Committee on the 15 November 2021, then subsequently endorsed by Council.

The review covered the period from 1 July 2024 to 30 April 2025 and included assessment of policies, procedures, and plans across key operational areas.

Comment

The review was conducted remotely by Dry Kirkness via email, shared electronic folders and telephone correspondence with the findings and outcomes of the review detailed in the attached report (Attachment 1).

Regulation 17: Risk Management, Internal Control, and Legislative Compliance

Under Regulation 17, the review assesses the Shire's systems in three main areas: risk management, internal control, and legislative compliance. It evaluates the adoption and effectiveness of the Risk Management Framework, risk identification and monitoring processes, and the adequacy of the Risk Register and escalation procedures. The review also examines business continuity, insurable risk management, and the identification of fraud and misconduct risks. Internal controls are evaluated by reviewing segregation of duties, authorisation processes, IT system access, financial account maintenance, and comparing financial results with budgets and asset counts. Legislative compliance is assessed through

adherence to laws, use of a compliance calendar, and procedures for handling complaints and disclosures. Management plans for addressing adverse trends and governance effectiveness are also reviewed.

The report highlighted the following in relation to the Reg 17:

- The Shire has implemented a Risk Management Framework aligned with AS/NZS ISO 31000:2018.
- The risk management process is effective, with most findings categorised as “Moderate” or “Minor.”
- Recommendations include improving documentation of risk reviews, formalising escalation procedures, and identifying fraud and misconduct risks in the Risk Register.

Regulation 5: Financial Management Review

Regulation 5 requires a review of the Shire’s financial management systems for both appropriateness and effectiveness. This includes examining bank reconciliations, petty cash, trust funds, receipts, rates, fees, purchases, payments, payroll, credit card procedures, asset management, overhead allocations, budgeting, financial reporting, register maintenance, delegations, audit committee processes, insurance, document storage, record keeping, integrated planning, and compliance with financial legislation and best practices.

The report highlighted the following in relation to the Reg 5 review:

- The financial management framework is generally in good order, with all major controls in place for receipting, expenditure, revenue, and record keeping.
- Recommendations for improvement relate to regular audits of records management, staff training, timely review and documentation of bank reconciliations, updating the Fixed Assets Register monthly, and timely calculation and recording of depreciation.

Recommended Improvements and Ratings

The review found that the Shire’s systems and procedures are appropriate and effective, with a small number of moderate and minor findings. The recommended improvements, once implemented, will further strengthen compliance, risk management, and financial controls.

Risk Area	Finding	Dry Kirknes Risk Rating
1 & 2. Records Management	<ul style="list-style-type: none"> o Undertake regular internal audits of records management practices to identify and rectify weaknesses, especially ahead of transitioning to a new Electronic Data Records Management System (EDRMS). o Provide ongoing and regular staff training on records management policies and systems, with updates integrated into all-staff meetings. 	Minor
3. Bank Reconciliations	<ul style="list-style-type: none"> o Ensure all bank reconciliations are reviewed and documented, with evidence of review (physical or digital signature) by a senior employee. 	Moderate

4. Asset Management	<ul style="list-style-type: none"> o Update the Fixed Assets Register monthly, including timely recognition of asset additions, disposals, and Work in Progress assets. o Calculate and record depreciation monthly to ensure accurate financial reporting. 	Modera te
5. Risk Management	<ul style="list-style-type: none"> o Improve documentation of risk reviews, including clear timelines, actions, and status updates in the Risk Register. o Ensure regular (quarterly) review and presentation of the Risk Register to Council and the Audit & Risk Committee. 	Minor
6. Plan for the Future – strategic Community Plan and Corporate Business Plan	<ul style="list-style-type: none"> o Develop a formal Business Continuity Plan that identifies key services, defines disruption responses, assigns recovery roles, and includes procedures for testing and review. 	Modera te
7. Risk Management Strategy - Insurance	<ul style="list-style-type: none"> o Establish formal processes for regular review of insurance policies, ensuring alignment with current risk exposures and integration with the Risk Register and asset management plans. 	Minor
8. Risk Register	<ul style="list-style-type: none"> o Explicitly identify and document fraud and misconduct risks in the Risk Register, including risk ratings, existing controls, and treatment plans. 	Modera te

The Shire has committed to implementing these recommendations, including integrating audit activities into the compliance calendar, enhancing staff training, and updating procedures for asset and risk management. A consultant has been engaged to review and update Integrated Planning Documents, including the development of a Business Continuity Plan, expected to be finalised in 2025–26.

Statutory Environment

Local Government (Audit) Regulations 1996

17. CEO to review certain systems and procedures

- (1) *The CEO is to review the appropriateness and effectiveness of a local government’s systems and procedure in relation to-*
 - (a) *Risk management; and*
 - (b) *Internal control; and*
 - (c) *Legislative compliance.*

- (2) *The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.*

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

Financial Implications

The cost of conducting the Regulation 17 Audit was included in the 2025/2026 Budget.

Strategic Implications

Plan for the Future 2021-2031

Our Leadership

Outcome 8 – A well-functioning organisation

8.1 Maintain corporate governance, responsibility and accountability

Risk Management

There is reputational risk from non-compliance with the legislative requirement to complete an audit regulation 17 review triennially. The external Regulation 17 Audit being conducted mitigates this risk.

Policy Implications

Shire of Ngaanyatjarraku Policies:

- 1.3 Risk Management
- 1.2 Internal Control

Attachments

Attachment 9.2 - Dry Kirkness Pty Ltd - Financial management, risk management, internal control and legislative compliance review report - 30 September 2025

Committees Recommendation and Officers Recommendation

Moved: Cr P Thomas

Seconded: Cr D Frazer

That the Audit, Risk and Improvement Committee recommend that by absolute majority

1. Receive the attached review by the CEO detailing the results of the Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls and
2. Report to the Council the results of the CEO report by providing a copy of the finalised Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls.

Carried 4/0

Voting For: Cr D McLean, Cr P Thomas, Cr D Frazer, Cr J Porter

9.3 Compliance Calendar

File Reference:	FM.04
Reporting Officer:	David Mosel, Chief Executive Officer
Date Report Written:	17 December 2025
Disclosure of Interest:	The author has no financial, proximity, or impartiality interests in the proposal.
Voting Requirement:	Simple Majority

Summary

To provide the Audit and Risk Committee with a progress report on action taken related to the Compliance Calendar.

Background

Local Governments are required to fulfil duties and functions prescribed in legislation and the community and State Government rightly expect that Local Governments will fulfil them. This expectation is prescribed in the *Local Government Act 1995* through the CEO duties which require the management of legislative compliance.

The attached Compliance Calendar provides a systemic approach to managing the legislative compliance, by initiating Compliance Actions via reminders and creates auditable records for how compliance has been achieved. The aim of the Compliance Calendar process is to improve compliance outcomes and reduced risk.

Comment

The attached Compliance Calendar has been prepared, to suit the specific compliance requirements and operational timeframes of the Shire. The Compliance Actions, listed in the attached spreadsheet show when these Actions need to be completed. The spreadsheet also considers the workloads for the assigned Responsible Officer, to ensure officers workloads are spread evenly over the calendar year, thus reducing work pressures and potential for compliance failures. The Compliance Calendar will be updated and reported to the A&R Committee on a Quarterly basis.

Statutory Environment

Local Government (Audit) Regulations 1996

Sec (17) - CEO is to review the appropriateness and effectiveness of a local governments systems and procedures in relation to:

- a. *Risk management*
- b. *Internal control*
- c. *Legislative compliance*

Financial Implications

There are no known financial implications for this matter.

Strategic Implications

Plan for the Future 2021 – 2031

Goal 3, Our Leadership

Outcome 8, A well-functioning organisation

Strategy, 8.2, Maintain corporate governance, responsibility and accountability

Risk Management

This item has been evaluated against the Shire of Ngaanyatjarraku Risk Management Framework, Risk Assessment Matrix. The perceived level of risk is “Low” risk and can be managed by routine procedures and is unlikely to need specific application of resources, other than contained in the Recommendation.

Policy Implications

There are no known policy implications for this matter.

Attachments

Attachment 9.3– Compliance Calendar, 2025

Voting Requirement

Simple Majority

Committees Recommendation and Officers Recommendation

Moved: Cr D Frazer

Seconded: Cr J Porter

That the Audit, Risk and Improvement Committee notes the progress report on action taken related to the Compliance Calendar 2025.

Carried 4/0

Voting For: Cr D McLean, Cr P Thomas, Cr D Frazer, Cr J Porter

10 NEW BUSINESS OF AN URGENT NATURE AS ADMITTED BY DECISION

Nil

11 CONFIDENTIAL MATTERS

Nil

12 NEXT MEETING

TBA at the Tjulyuru Cultural and Civic Centre, Warburton Community, commencing at 12.30pm

13 CLOSURE OF MEETING

There being no further business, the Presiding Member declared the meeting closed at 12.45pm.

UNCONFIRMED



Shire of **Ngaanyatjaraku**
ON A JOURNEY

Council Policy

Policy 1.3 – Risk Management

Table of Contents

- Policy Objective**..... 3
- Policy Statement** 3
- Risk Tolerance and Appetite** 3
- Risk Management Commitment**..... 3
- Monitoring and Reviewing** 4
- Policy History** 5
 - Amendments to this Policy 5
 - History 5

Council Policy 1.3 – Risk Management

Policy Objective

To encourage an integrated, effective and organisation wide approach to risk management within the Shire, facilitating value creation and protection.

Policy Statement

Council is committed to the use of risk management in the course of achieving its strategic objectives and delivery of services to the community. Management of risk is considered the responsibility of all elected members, employees and contractors, and is to be integrated throughout the Shire.

A Risk Management Strategy is to be maintained and implemented utilising the Principles, Framework and Process as defined within AS/NZS ISO 31000:2018 Risk management - Guidelines.

Risk Tolerance and Appetite

Risk tolerance or risk appetite refers to the amount and type of risk that the Shire is willing to take in order to meet its strategic objectives. The Council manages its risks using a process that involves the identification, analysis, evaluation, treatment, monitoring and review of risks. It will be applied to decision making through all levels of the organisation in relation to planning or executing any function, service or activity. Risk management applies at strategic and operational levels.

As a public body, there is an expectation the Shire will maintain an inherent low tolerance for risk and as a consequence adopt policies and maintain systems and procedures to create value and protect, the Shire, and its stakeholders.

The Council maintains a low tolerance for risks associated with:

- Health and safety and the wellbeing of staff and the community
- Administration of finances and assets
- Legislative compliance

Council's risk tolerance and appetite is articulated with the Risk Management Strategy and any change to the level of risk tolerance and appetite within the Strategy can only be made with Council approval.

Risk Management Commitment

Council will maintain a continual commitment to risk management through the appropriate allocation of resources to facilitate application of the principles, framework and process as defined within AS/NZS ISO 31000:2018, through the 'Risk Management Strategy'. The Risk Management Strategy will assist the organisation to integrate risk management into decision making and operational activities, across the organisation.

This commitment will work towards:

- a) aligning the objectives, culture and strategy of the Shire with risk management;
- b) addressing and recognising all obligations (including voluntary commitments) of the Shire;
- c) communicating the risk appetite of the Shire to guide the establishment of risk criteria, to all employees, contractors and elected members and stakeholders;
- d) promoting and conveying the value of risk management across the Shire;
- e) encouraging methodical monitoring of risks;
- f) ensuring that the Risk Management Strategy remains relevant to and considers the context of the organisation.

This policy is to remain in force until otherwise determined by Council.

Monitoring and Reviewing

The Shire will implement and integrate a monitor and review process to report on the achievement of the Risk Management Objectives, the management of individual risks and the ongoing identification of issues and trends.

The approach taken by the Shire is to centralise the management of strategic and operational risks in order to ensure they are managed holistically, that there are no control gaps, and that duplication is significantly reduced.

There will be two distinct areas of focus for the Risk Management Program - Strategic and Operational.

This Policy covers these two areas of focus. The development and implementation of the risk management program will contribute significantly to the effective governance of the Shire. The visibility of risks will provide the Council with a detailed understanding of the Shires risk profile and will assist greatly in decision making.

By taking a prudent but positive approach to risk management it will enable the Shire to improve services to the community, improve identification of opportunities as well as threats and vulnerabilities and improve our organisational resilience, operational effectiveness and efficiency.

The effective implementation and ongoing maintenance of the risk management program, therefore, requires commitment and leadership from all levels of management within Shire expectation is that this commitment and leadership will be provided.

Strategic Risks

Strategic risks are defined in the context of Shires as risks where the causes/contributing factors are outside the control of Council but, if they were to occur, they may be serious enough to require a revision of the Shires Strategic Community Plan

Operational Risks

Operational risk refers to risks arising from the Shire's routine operations, including staffing, procedures, systems, assets, service delivery, and compliance activities, which may impact the achievement of organisational objectives.

Operational risks are generally owned and managed at an operational level, documented in the risk register, subject to regular review, and escalated where their treatment status or risk rating exceeds the Shire’s risk appetite or has implications for strategic objectives.

All risks will be periodically reviewed and reported through the Audit and Risk Committee.

This policy will be kept under review by the Shire’s Senior Management and will be formally reviewed by Council biennially.

Roles and Responsibilities for Risk Management within the Council

- The following is a broad overview of the roles and responsibilities for the governance of the risk management program. Detailed roles and responsibilities relating to the management of risks are contained within Shire of Ngaanyatjarraku’s Risk Management Plans.

<p>Council</p>	<p>The Council is ultimately accountable for the management of the risk exposures within Shire. Specifically, the Council:</p> <ul style="list-style-type: none"> • Define Council’s risk appetite • Establish Council’s risk criteria • Manage strategic risks and review actions to address risks • Promote a risk management culture within Council
<p>Audit, Risk and Improvement Committee</p>	<p>The Audit and Risk Committee is to:</p> <ul style="list-style-type: none"> • Review the effectiveness of the Shires risk management program • Regularly monitor risks as part of a standing item on the consideration of governance issues • Monitor performance of the program against established KPI’s • Monitor the effectiveness of critical controls • Provide reports to the Council on audit findings and ensure any recommendations are implemented where agreed

Policy History

Amendments to this Policy

Amendments to this policy require a simple majority decision of Council.

History

Policy reviewed: 24 June 2020

Policy amended: 24 June 2020

Policy reviewed: 28 June 2023

Policy reviewed: 29 April 2026

Previous Policy

Policy adopted: unknown

Policy No. 2.22



Risk Management Strategy 2026

Table of Contents

1.1	Introduction	1
1.2	Risk Management – Principles, Framework and Process	1
1.3	Risk Management Policy.....	2
1.4	Risk Management Principles.....	3
1.5	Risk Management Framework	4
1.6	Risk Management Process	5
1.7	Risk Management Process – Communication and Consultation	6
1.8	Risk Management Process – Risk Categories / Risk Themes	7
1.9	Risk Management Process – Risk Tolerance / Risk Appetite.....	8
1.10	Documentation to support risk management process.....	9
1.11	Assurance activities for risks mitigated through operational and/or financial controls.....	9
	Table 1: Roles and Responsibilities	10
	Table 2: Consequence Ratings.....	11
	Table 3: Risk Matrix	12
	Table 4: Likelihood Rating	12
	Table 5: Risk Response.....	12
	Document Management.....	13
	Terminology	14

1.1 Introduction

The Risk Management Strategy (Strategy) aims to support an **integrated** and effective approach to risk management to ensure an organisation-wide approach to risk management, with the aim of value creation and protection, in accordance with the Shire of Ngaanyatjarraku Risk Management Policy. This includes consistent assessment of risks including risk mitigation activities from a top down perspective, as well as bottom up, through operational processes and procedures.

The Shire has implemented a structured approach to risk management based on, Australian / New Zealand International Standard for Risk Management – Guidelines ISO 31000:2018. This will assist the Shire work towards:

- Aligning the objectives, culture and strategy of the Shire with risk management;
- Addressing and recognising all obligations (including voluntary commitments) of the Shire;
- Communicating the risk appetite of the Shire to guide the establishment of risk criteria, whilst conveying to all elected members, employees and contractors;
- Promoting and conveying value of risk management across the Shire;
- Encouraging methodical monitoring of risks; and
- Ensuring the Risk Management Strategy remains relevant to and considers the context of the organisation.

The key **objectives** of the Strategy are to:

- Ensure consistent and systematic approach to risk management through decision-making and corporate planning, contributing toward an effective and efficient risk management culture over time;
- Provide tools to assist management with risk identification and articulation of risks to enable appropriate risk mitigation strategies; and
- Supports the overall governance framework through integration of corporate culture, internal controls, policies and procedures (“internal control environment”) and management oversight.

The Strategy has been developed with input and review from the Executive Leadership Team and the Audit, Risk and Improvement Committee (ARIC).

1.2 Risk Management – Principles, Framework and Process

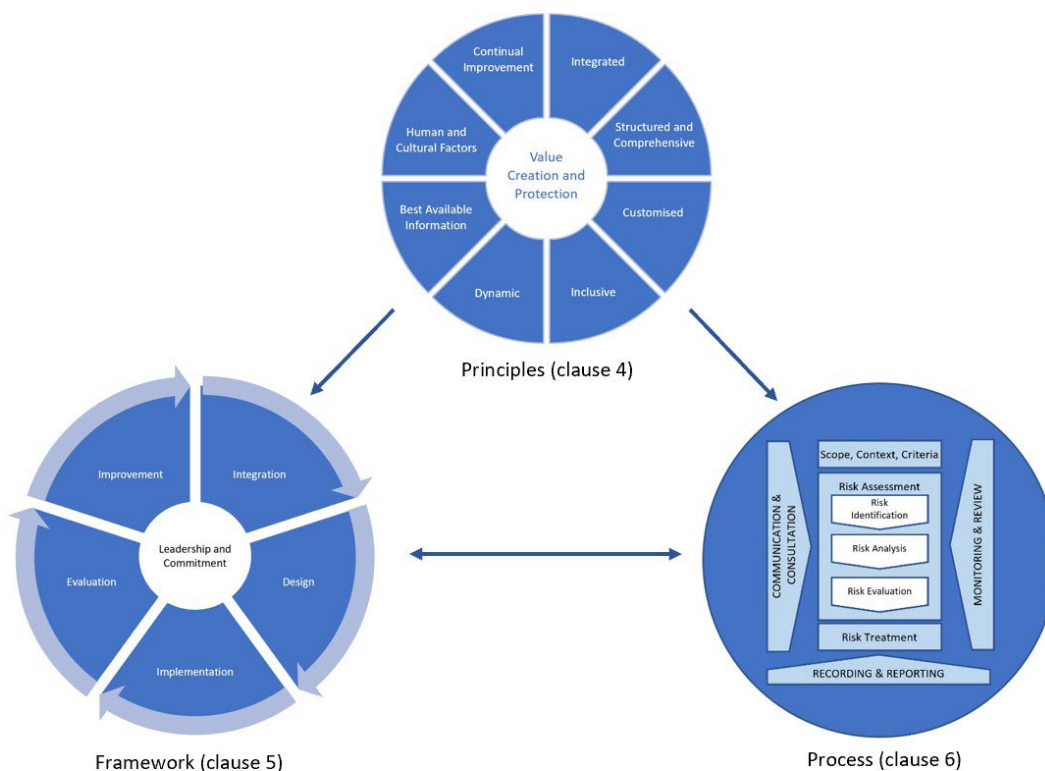
ISO 31000:2018 provides guidance on the development of a risk management approach, designed to be tailored to best apply to any organisation and its requirements. This Strategy has been developed using the Principles, Framework and Process as outlined within ISO 31000:2018.

The diagram below demonstrates the relationship between each component of the Risk Management Strategy, with the Principles forming the foundation of the Strategy. The Principles describe the features to be utilised and influence the Framework and Process elements.

The Framework component of the Strategy is intended to facilitate integration of risk management throughout the Shire, through commitment from leadership to risk management practices. Any gaps identified through analysis of existing practices will be remedied through the application of the Framework and will inform the Process component.

The Risk Management Process is to be designed and tailored to align best to the Shire’s structure, resources and practices. The Risk Process is iterative, consisting of Risk Assessment, Risk Identification, Risk Analysis, Risk Evaluation and Risk Treatment, Communication and Consultation, Recording and Reporting along with Monitoring and Review, as noted in the below diagram. The Process component of the Strategy draws on both the Framework and the Principles in its application to managing risk.

High Level Overview of Strategy



Source: Australia/New Zealand Standard ISO 31000:2018

1.3 Risk Management Policy

The Shire's Risk Management Policy (2.22) states the mandate and commitment including roles and responsibilities of Council and all staff:

“Management of risk is considered the responsibility of all elected members, employees and contractors, and is to be integrated throughout the Shire.”

The Risk Management Policy 1.3 must be read and understood in conjunction with this Strategy.

1.4 Risk Management Principles

In accordance with ISO 31000:2018, the following key principles provide necessary guidance and methodology when implementing a structured risk management process.

Human and cultural factors: Risk culture is created from visible leadership and commitment in embedding a risk mindset. All elected members and employees have responsibility for managing risk.

Risk management should be a part of, and not separate from, the Shire's purpose, governance, leadership and commitment, strategy, objectives and operations.¹

Structured and comprehensive: Refers to the risk management process which encompasses:

- Risk identification, assessment and treatment;
- Risk monitoring and review; and
- Risk reporting and communication.

Inclusive accountability and transparency: Leadership to assign clear roles and responsibilities for staff, external stakeholders and decision makers to ensure risk management remains relevant and up-to-date, and is based on informed choices and agreed priorities.

Integrated: Managing risks should create and protect value by contributing to the achievement of objectives as included in the Strategic Community Plan and Corporate Business Plan (Plan for the Future), as well as project outcomes and improving Shire performance as an integrated activity within existing processes.

Customised to Shire risk profile: Recognises the Shire's external and internal influences and challenges, due to its geographical location and community needs.

Dynamic: Risks needs to be managed in a dynamic, iterative and responsive manner.

Continuous improvement: Developing a more risk aware workforce will result in operational processes which take into account risk considerations and enable processes and decision making to improve over time.

Best available information: Risk management is reliant on use of the best available information at any given point in time.

¹ ISO 31000:2018 Risk Management – Guidelines, page 5

1.5 Risk Management Framework

The impact of risk management efforts is highly dependent upon the integration of risk management throughout the Shire. The Risk Management Framework is designed to assist with facilitating high level of integration across activities, practices and functions of the Shire.

Details of each stage within the framework are:

Integration

- Integrate risk management into Shire processes and structure. All elected members and employees are responsible for managing risk.

Design the Strategy

- Understand the organisation and its context;
- Establish and adopt Risk Management Policy;
- Establish roles, responsibilities and accountabilities;
- Allocate resources; and
- Establish internal and external communication and reporting mechanisms.

Implement the Strategy

- Develop Risk Management Plan;
- Engage stakeholders to convey the purpose and importance of the Strategy and Plan;
- Implement corporate risk management processes in all activities throughout the Shire, particularly decision making processes; and
- Identify changes in the internal and external context, as well as identifying emerging risks or changed risk conditions.

Evaluate the Strategy

- Regularly assess the purpose, objectives, and outcomes of the Strategy against actual risk management practices; and
- Consider the suitability and application of the Strategy to the Shire's operations and activities.

Continuous Improvement

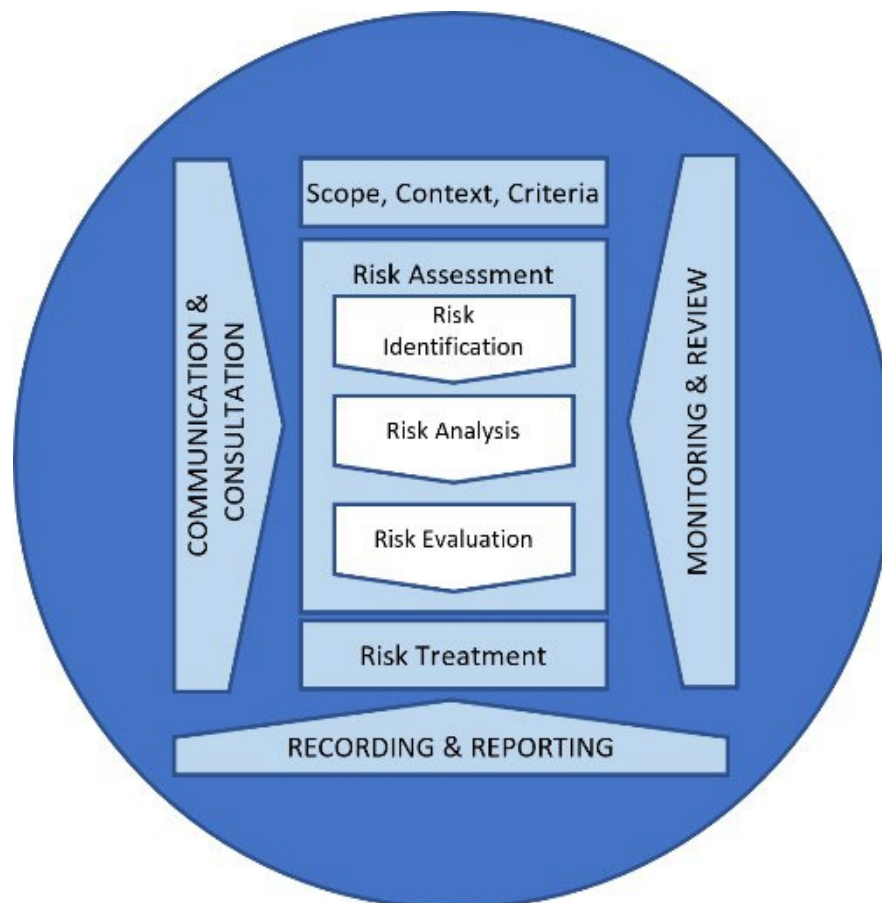
- As gaps or improvement opportunities are identified from risk processes, continuously refine the Framework and the way the process is integrated; and
- Develop plans and tasks and assign them to those accountable for implementation.

1.6 Risk Management Process

The risk management process can be delivered in many different ways. It should play a pivotal role in management of the Shire and decision making, unified with the general operations, practices, procedures and the structure of the Shire. Applications of the risk management process should be tailored to best work with the structure and context of the Shire and draw on the risk principles as defined in Section 1.4, with appropriate consideration afforded to maintaining the dynamic nature of the process, continual improvement, the variable nature of human and cultural factors, modifying and integration of processes/practices.

Given the highly dynamic and variable nature of the risk management process, the general approach by the Shire is to articulate and develop details relating to risk management processes within operational procedures, to best communicate the applicable elements of the process throughout the organisation. Development of these procedures will also enable appropriate feedback to be sought from stakeholders and implemented into decision making processes.

The diagram below depicts the re-iterative and continuous process for managing risks.



Source: Australia/New Zealand ISO31000:2018

1.7 Risk Management Process – Communication and Consultation

Communication and consultation are important elements of the risk management process. These elements promote a better understanding of risk across the Shire and convey the purpose behind actions occurring or required.

An effective risk management process relies on regular communication and consultation, both upward to leadership and downward from leadership and senior staff, involving risk owners, Shire management and ARIC / Council (as applicable).

The main objectives of risk communication and consultation are to:

- Provide information for decision making (relevance of information is dependent on currency);
- Utilise expertise from across the organisation in the course of carrying out risk management activities; and
- Facilitate an inclusive and empowered culture across the Shire in relation to risk management.

Communication of newly identified, untreated high level risks will be as follows:

Risk Context	Purpose	Reporting to:
Strategic	Emerging risks or existing risks which impact on the Council's ability to deliver on its strategic objectives.	CEO/Council
Operating	Risks identified from operational activities which need to be addressed, reported and monitored until effectively treated to an acceptable risk tolerance.	CEO
Projects	Risks identified from capital or infrastructure projects which impact on the project deliverables above the Council's acceptable risk tolerance.	CEO
Consolidated Risk Summary	For Executive Management – summary of high level risks and above items to inform ARIC and Council of risk treatments.	ARIC / Council

In line with the multi-directional approach to risk consultation it is equally important for newly identified untreated risk to be communicated from Council to the Executive.

Each level of management must communicate risks as they become aware of them, to relevant staff at the level directly above and below them, who must in turn communicate the risks to the next level above or below.

Communication and consultation of medium and higher risks should be through a documented process. Lower level risks may be communicated verbally.

1.8 Risk Management Process – Risk Categories / Risk Themes

The purpose of risk categories and/or risk themes is to group similar risks under the appropriate risk category. The use of standard risk categories enables:

- Structured process for staff to identify and capture risks; and
- Reporting of risks by risk type, providing focus areas requiring risk mitigation, especially where similar risks are identified across functional areas and/or by different stakeholders.

The Shire's risk categories/themes should be continually reviewed to ensure relevance in current environment.

Examples of risk categories within the local government sector include:

1. Performance: ability to achieve key objectives, within current resources, potential loss of infrastructure;
2. Financial: loss of assets, impact on annual revenues or costs, external audit issues, mismanagement of funds;
3. Environmental Risk: harm to the environment;
4. Reputational Damage: adverse publicity;
5. Service Delivery/Business Interruption: loss of service, disruption in business processes or impact to service delivery (including through lack of skilled resources); and
6. Legislative / Regulatory / Policy / Work Health and Safety: misconduct, injury, failure to meet statutory, regulatory or compliance requirements.

Risk categories will be defined in the initial establishment of risk registers and should be dynamic to reflect the current environment.

1.9 Risk Management Process – Risk Tolerance / Risk Appetite

Risk tolerance or risk appetite can be defined as the amount and type of risk the Shire is willing to take in order to meet its strategic objectives. Given the characteristic risk profile of local governments, it is important the Elected Members and CEO understand and consider this relatively low appetite for risk when evaluating major decisions. To facilitate meaningful analysis of the Shire's risk exposures, one role of the Council is to constructively challenge management's proposals from a risk perspective.

As risk management processes mature, a risk appetite matrix which pre-defines types of risk and quantifies them in a structured manner will help ensure the Shire's strategic objectives are effectively planned and managed. It enables articulation of specific actions/practices, i.e. the Shire has **no appetite for non-compliance** with regulatory obligations or legislative requirements and expects any suspected or actual non-compliance to be promptly escalated, investigated and remediated in accordance with approved procedures. This assists staff understanding of how their day to day risk management activities contribute towards the Shire's risk culture and risk profile.

Understanding risk appetite helps determine the level of acceptable/unacceptable risk and the extent to which additional controls are required to treat risk. As a public body, there is an expectation the Shire will maintain an inherent low appetite for risk and as a consequence adopt policies and procedures in order to maintain the organisation's reputation and to protect public funds from loss or misappropriation.

The appetite for risk in relation to service delivery, finance, health, safety and the environment is considered 'low to medium', requiring treatment with effective controls. Where the level of risk is considered 'high' or 'extreme', additional controls are required to reduce the risk level. In circumstances where the level of risk cannot be reduced below 'high', close monitoring of risk controls is required to ensure the relevant internal controls remain effective. In cases of medium to high risk, the Shire will mitigate the risk by taking out insurance where possible.

1.10 Documentation to support risk management process

Documentation of medium and high level risks is best undertaken through the use of a risk register. Maintenance of risk registers demonstrates an active and evidentiary risk management process within the Shire.

The following provides guidance for documentation of risk registers:

- All elected members and employees have responsibilities to identify, assess, evaluate and treat risks in their day to day activities; risks assessed as being mitigated to an acceptable level through operating controls or risk treatments by eliminating the risk are deemed to be effectively addressed and do not require documenting;
- Risks which require further actions or treatment by more senior officers before they are within the acceptable risk tolerance must be documented in the risk register to enable effective communication and monitoring; and
- Any risks deemed to be rated High or Extreme and unable to be immediately treated to an acceptable level, must be escalated to the CEO immediately for further escalation to the Audit Risk and Improvement Committee and/or Council, where unable to be adequately treated by the CEO within the constraints of the annual budget. These risks must also be recorded in the risk register.

1.11 Assurance activities for risks mitigated through operational and/or financial controls

The Shire has the following governance activities to ensure controls required for risk mitigation are operating as intended:

- Completion of mandatory returns as required by legislation;
- Routine independent verification of operating controls, systems and procedures;
- External audit of financial statements; and
- Via Code of Conduct, Council policies and work procedures.

The following pages contain tools and guidance useful in the implementation of this Strategy.

- Table 1: Roles & Responsibilities
- Table 2: Risk Ratings
- Table 3: Matrix Assessment
- Table 4: Likelihood Rating
- Table 5: Risk Response

Table 1: Roles and Responsibilities

Role	Responsibilities
Council	<p>Council's responsibilities are to:</p> <ul style="list-style-type: none"> • Adopt a Risk Management Policy compliant with the requirements of AS/NZS ISO 31000:2018 and to review and approve the Policy in a timely manner as required. • Be satisfied risks are identified, managed and controlled appropriately, to achieve Shire's strategic objectives. • Supports the allocation of funds / resources to treat risks as required.
Audit, Risk and Improvement Committee (ARIC)	<ul style="list-style-type: none"> • Requests and reviews reports on risk management and compliance, and monitors implementation of agreed treatments/actions (minimum biannual, or more frequently depending on the nature of the risk(s)). • Monitors the overall risk exposure of the Shire (including key compliance risks and external audit matters) and makes recommendations to Council as appropriate. • Assesses the effectiveness of key controls and risk treatment plans (including agreed management actions arising from audits and compliance reviews) in reducing the severity of risk(s).
Executive	<ul style="list-style-type: none"> • Creates an environment where staff are responsible for and actively involved in managing risk. • Oversight of the Shire's Risk Management Strategy. • Maintain and implement the Risk Management Strategy. • Ensures a consistent risk management approach is embedded in the operations and processes of the Shire. • Actively participates and supports the Risk Management Strategy through identification and creation of suitable risk treatments to control strategic and operational risks facing the Shire. • Monitors the strategic and operational risk management performance. • Reviews the Shire's Risk Summary Report prior to submission to the Audit, Risk and Improvement Committee (ARIC).
Staff	<ul style="list-style-type: none"> • Adopt and understand the principles of risk management and comply with policies, processes and practices relating to risk management. • Alert and bring to management's attention, the risks existing within their area. • Conduct risk assessments which are appropriate with the scope of the task and the associated level of risk identified.



Table 2: Consequence Ratings

Description	Performance	Financial	Environment	Reputation	Service Delivery / Business Disruption	Legislative / Regulatory / Policy / WSH
CATASTROPHIC	Unable to achieve key objectives. External resources required. Ongoing loss of critical infrastructure.	>15% of asset value. Adverse >15% deviation from budget. Audit unable to be completed.	Catastrophic long term environmental harm.	Significant damage to public confidence leading to sustained compromise in the achievement of strategic objectives.	Major, including several important areas of service and/or a protracted period. Ongoing loss of business systems.	Criminal instances of regulatory non-compliance. Extreme breaches of Code of Conduct. Personal details compromised / revealed – all. Death.
MAJOR	Major impact on ability to achieve key objectives. Impact cannot be managed with current allocated resources. Long-term loss of critical infrastructure.	5%-15% of asset value. Adverse 5%→15% deviation from budget. Audit qualification on the report and accounts.	Significant long-term environmental harm.	Local publicity of a major and persistent nature, affecting the perception/ standing within the community.	Complete loss of an important service area for a short period. Major disruption to business processes.	Major revenue or cost implications. Individuals at risk of harm. Significant breaches of Code of Conduct. Personal details compromised / revealed – many. Multiple serious injuries.
MODERATE	Moderate impact on ability to achieve key objectives. Significant adjustment to resource allocation. Loss of support infrastructure.	2%-5% of asset value. Adverse 2%→5% deviation from budget. Management letter contains significant issues.	Significant short-term environmental harm.	Damage to reputation to a specific audience, may not have significant long-term or community effects.	Major effect to an important service area for a short period, brief impact on multiple areas. Moderate disruption to business processes.	Minor revenue or cost implications. Breach of Code of Conduct. Personal details compromised / revealed – some. Serious injury and/or illness.
MINOR	Minor impact on ability to achieve key objectives. Additional internal management efforts required. Interruption to support infrastructure.	< 2 of asset value. Adverse impact on revenues and costs <2% deviation from budget. Management letter contains minor issues.	Minor transient environmental harm.	Minor damage to reputation to a small audience, complaint from a large group of people.	Brief disruption of important service area. Noticeable effect to non-crucial service area. Minor disruption to business processes.	Minor breaches of Code of Conduct. Personal details compromised / revealed – isolated. First aid or minor lost time injury.
INSIGNIFICANT	Negligible impact on ability to achieve key objectives. Impact can be managed through routine activities. Negligible interruption to support infrastructure.	Insignificant loss. Insignificant adverse impact on annual revenue or costs. Matters discussed with management not reported.	Negligible transient environmental harm.	Minor unsubstantiated publicity or damage to reputation to a small audience, complaint from individual/small group.	Negligible impact on the effectiveness of the organisation's processes. Negligible disruption to business processes.	Little or no impact to Code of Conduct. Personal details compromised / revealed - an individual's. Incident with or without minor injury.

Table 3: Risk Matrix

		CONSEQUENCE				
		Insignificant 1	Minor 2	Moderate 3	Major 4	Catastrophic 5
Almost Certain	5	Medium	High	High	Extreme/Exceptional	Extreme/Exceptional
Likely	4	Medium	Medium	High	High	Extreme/Exceptional
Possible	3	Low	Medium	Medium	High	High
Unlikely	2	Low	Low	Medium	Medium	High
Rare	1	Very low	Low	Low	Medium	Medium

Table 4: Likelihood Rating

Likelihood	Definition	Frequency of Noted Occurrences	Score
Almost Certain	Expected to occur in most circumstances or occurs regularly. A clear opportunity already apparent, which can easily be achieved.	More than once per year	5
Likely	Occurrence is noticeable or is likely to occur. An opportunity that has been explored and may be achievable.	At least once per year	4
Possible	Occurs occasionally or may occur. Possible opportunity identified.	At least once in 5 years	3
Unlikely	Occurs infrequently or is not likely to occur. Opportunity that is fairly unlikely to happen.	At least once in 10 years	2
Rare	Only occurs in exceptional circumstances. Opportunity that is very unlikely to happen.	Less than once in 20 years	1

Table 5: Risk Response

Risk	Action Required
Extreme/Exceptional	Immediate corrective action
High	Prioritised action required
Medium	Planned action required
Low	Planned action required
Very low	Manage by routine procedures

Document Management

Date approved: 2022

Date reviewed 2026

Responsible officer:

Endorsed by:

Approved by: Chief Executive Officer

Next review: Recommended: review annually (or sooner if major legislative/operational change)

Definitions

Consequence	The outcome of an event affecting achievement of organisational objectives.
Control	A measure that modifies a risk or manages risks within an organisation.
Establishing the context	Defining the external and internal parameters to be taken into account when managing risk and setting the scope and evaluating the significance of a risk (i.e. risk criteria).
Event	The occurrence or change of a particular set of circumstances.
Likelihood	The chance of a risk event occurring.
Monitoring	Continual checking, critically observing or determining status in order to identify change from the performance level required or expected.
Operational risk	Operational risks are linked to the Business Plan objectives and take into consideration risks which will prevent departments from delivering their annual business plans and ongoing services to the community.
Residual risk	The risk remaining after risk treatment.
Risk	The effect of uncertainty on objectives. The focus should be on the effect of incomplete knowledge of events or circumstances on the Shire's decision making.
Risk analysis	The process to comprehend the nature of risk and to determine the level of risk.
Risk assessment	The overall process of risk identification, risk analysis and risk evaluation.
Risk attitude	The organisation's approach to assessing and eventually pursuing, retaining, taking or turning away from risk.
Risk criteria	The terms of reference against which the significance of a risk is evaluated.
Risk evaluation	The process of comparing the results of a risk analysis with the risk criteria to determine whether the risk and/or its magnitude are acceptable or tolerable.
Risk identification	The process of finding, recognising and describing risks.
Risk management	The co-ordinated activities to direct and control an organisation with requirements to manage risk.

Definitions

Risk management policy	The Shire's statement of overall intention and direction related to risk management.
Risk owner	The person with the accountability and authority to manage a risk.
Risk profile	The acceptable level of risk an organisation is prepared to accept. For the purposes of this Framework, the Shire's risk profile is the overall exposure to risk based on its aggregated risks, at a point in time.
Risk source	An element that, either alone or in combination, has the intrinsic potential to give rise to a risk.
Risk treatment	The process to modify risk.
Stakeholder	A person or organisation that can affect, be affected by or perceive themselves to be affected by a decision or activity.
Strategic risk	Strategic risks are the risks that will prevent the Shire from meeting the objectives outlined in its Plan for the Future.

Reference: ISO 31000:2018 Risk management—Guidelines

- Undertake other tasks related to the charter as directed by Council.

Policy History

Amendments to this Policy

Amendments to this policy require a simple majority decision of Council.

History

Policy adopted: 24 June 2020

Policy reviewed: 28 October 2020

Policy amended: 28 October 2020

Policy reviewed: 28 June 2023

Policy amended: 29 April 2026

Previous Policy

N/A

Attachement 9.4 Compliance Calendar - April 2026

	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Position Title Officer Responsible for Action Compliance	Comments
	Monthly Activities					
	Monthly Financial Report Statement of financial activity reporting on the revenue and expenditure..	Local Government Act 1995	s.6.4 FM.Reg.34	Monthly	DCS	Completed as required
	Business Activity Statement - submit to ATO	Australian Tax Office		Monthly	DCS	Completed as required
	Financial Interests Register Remove Primary and Annual Returns of persons who are no longer Designated Employees.	Local Government Act 1995	s.5.88(3)(4)	6 monthly	DGS	Completed as required
	Annual Activities					
	Corporate Business Plan - Qtrly update to council	Local Government Act 1995	5.56	Quarterly - April, July, October, January	DGS	Currently being reviewed to reflect Shire's current and future operations and strategic direction. As per Regulation 19DA of the Local Government (Administration) Regulations 1996 (WA), an annual review was undertaken in July 2025.
	Performance Review - CEO and staff	Local Government Act 1995	s5.38	Annual	CEO	All staff reviews completed to date.
	Fire Break Notices - Local Public Notice	Bush Fires Act 1954	s33	Annual	Finance Manager	Not applicable
	ESL Reconciliation Report	FESA Authority of WA Act 1998	Part 6A Div 5	Monthly	Finance Manager	Annually October
	Authorised Officers - Purchasing and Requisitions, review listings and processes. .	Local Government (Financial Management) Regs 1996	Reg.5	Annual	Governance Manager	Completed as required.
	Delegated Authority - Review and confirm employees with delegated authority	Local Government Act 1995	s5.44	Annual	Governance Manager	Completed as required.
	Maintain Complaints Register - regarding breaches of the Act.	Local Government Act 1995	s5.121(1)	Annual	Governance Manager	Completed as required.
	Update Gift Register	Local Government Act 1995	s5.62(2) Reg.34B	Annual	Governance Manager	Completed as required.
	Primary Returns - for all new designated employee's.	Local Government Act 1995	s.5.75	Annual or as required	Governance Manager	Completed as required.
	Audit Regulation 17 Review.	Local Government Act 1995	Audit.Reg. 17(1)(c)	Triennial	CEO/Finance Manager	Review Completed in October 2025
	Financial Management Regulation 5 Review.	Local Government Act 1995	FM.Reg.5	Triennial	CEO/Finance Manager	Review Completed in October 2025
	Policy Manual - review policy	Local Government Act 1995		4 - yearly	CEO & Governance Manager	Review of polycys ongoing to reflect operational and leglaslative changes.
	Disability Access and Inclusion Plan Review	Disability Services Act 1993	s29(7)	5 - yearly	Governance Manager	DAIP Progress Report 2025-26 due to be submitted 15 July 2026.

Attachement 9.4 Compliance Calendar - April 2026

	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Position Title Officer Responsible for Action Compliance
	Record Keeping Plan - Review and submit to Records Commissionser	State Records Act 2000	s28	5 - yearly	Governance Manager
	December 2025- Take Action				
Jan	Annual Report	Local Government Act 1995	FM.Reg.17A(4)	Annually	Finance Manager
Jan	Revaluation of Assets - Land, Buildings and Infrastructure	Local Government Act 1995	FM.Reg.17A(4)	5 - yearly	Finance Manager
	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Position Title Officer Responsible for Action Compliance
	February 2026 - Take Action				
Feb	Review of Delegations				GM
	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Position Title Officer Responsible for Action Compliance
	March 2026- Take Action				
Mar	Mid-Year Budget Review (MYBR) Between 1 January and 31 March in each financial year, a review of the annual budget is to be carried out.	Local Government Act 1995	FM Reg.33A(1) (2A) (2) (3)	Annual	Finance Manager
	Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Position Title Officer Responsible for Action Compliance
	April 2026 - Take Action				
Apr	Strategic Community Plan - Review Review to be completed in April after community consultation, in order to inform Annual Budget.	Local Government Act 1995	s.5.56 Admin.Reg.19C	Biennial	CEO
	Public Access to Information - Audit Check LG website, Library and LG office to ensure public information accessible and published on website as prescribed and within prescribed limitations. Ensure customer service staff and information custodians are trained to provide access consistent with the legislation.	Local Government Act 1995	s.5.94 Admin.r.29 s.5.95 s.5.96 s.5.96A Admin. 29A,29B, 29C, 29D	Biannual (Apr & Nov)	GM

Comments
Currently under review and being undertaken as part of the implementation of the new ERP.
Presented to Council at its ordinary meeting on 17 December 2026. (Completed)
Action identified as part of the FMR review undertaken in October 2025. Building Valuations to be undertaken in May 2026
Update of delegations to OCM 25 February 2026. (Completed)
Presented to Council at the 25 February 2026 OCM (Completed).
Desktop review undertaken with major review currently in progress in preparation to be presented to Council in June 2026.
Review undertaken of website - April 2026

Attachement 9.4 Compliance Calendar - April 2026

Compliance Action	Compliance Requirement	Section / Ref	Compliance Frequency	Position Title Officer Responsible for Action Compliance
Local Laws published on website - confirm that a consolidated version of each of the LGs Local Laws is published on the LGs website. NOTE - 'Consolidated version' means the principle local law has been updated to include the effect of each amendment local law.	n/a	n/a	Annual	Governance Manager
Local Public Health Plan - renewal every 5 years	Public Health Act 2016		5 - yearly	Environmental Health Officer

Comments
Local Law is confirmed to be published on website.
Pending Review