



MINUTES

Audit, Risk and Improvement Committee Meeting

25 March 2026
Commencing at 2:00pm

Borden Pavilion
Stone Street, Borden WA 6338

COUNCIL'S VISION

Gnowangerup Shire –A community where people stay, grow, and thrive

Objectives of the Audit, Risk and Improvement Committee

The primary objective of the Audit, Risk and Improvement Committee is to accept responsibility for the annual external audit and liaise with the local government's auditor so that Council can be satisfied with the performance of the local government in managing its financial affairs.

Reports from the committee will assist Council in discharging its legislative responsibilities of controlling the local government's affairs, determining the local government's policies and overseeing the allocation of the local government's finances and resources. The committee will ensure openness in the local government's financial reporting and will liaise with the CEO to ensure the effective and efficient management of the local government's financial accounting systems and compliance with legislation.

The committee is to facilitate:

- The Audit, Risk and Improvement Committee assists the accountable authority in fulfilling their oversight responsibilities in relation to systems of risk management and internal control, the entity's processes for monitoring compliance with laws and regulations, including the code of conduct, financial and performance reporting and external and internal audit. The Audit, Risk and Improvement Committee is not responsible for the management of these functions.
- the enhancement of the credibility and objectivity of external financial reporting;
- compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance;
- the provision of an effective means of communication between the external auditor, the CEO and the Council.

Powers of the Audit, Risk and Improvement Committee

The Audit, Risk and Improvement 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 the local government that have not been delegated to the CEO.

The committee is a formally appointed committee of council and is responsible to that body. The committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The committee does not have any management functions and cannot involve itself in management processes or procedures.

Membership

The committee will consist of all elected members of Council. All members shall have full voting rights. The CEO and employees are not members of the committee.

The Deputy CEO will attend meetings, not as a member but to assist the Committee with any queries or requests for information.

The Senior Governance and Risk Management Officer or another nominated staff member will attend meetings to take the minutes.

The Presiding Member and Deputy Presiding Member must be elected in accordance with section 5.12 and Schedule 2.3 of the Act.

Meetings

The committee shall meet at least quarterly.

Additional meetings shall be convened at the discretion of the Presiding Member.

Reporting

Reports and recommendations of each committee meeting shall be presented to the next ordinary meeting of the Council and must be moved by the Presiding Member, or in his/her absence the Deputy Presiding Member, or in both their absences, any other member of the committee.

Functions of the Audit, Risk and Improvement Committee

Pursuant to Reg. 16 of the *Local Government (Audit) Regulations 1996* an Audit, Risk and Improvement Committee has the following functions

- a) to guide and assist the local government in carrying out its functions:
 - i. under Part 6 (Financial Management) of the Act; and
 - ii. relating to other audits and other matters related to financial management;
- b) guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 (Audit) of the Act;
- c) review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to:
 - i. report to the council the results of that review; and
 - ii. give a copy of the CEO's report to the council;
- d) monitor and advise the CEO when the CEO is carrying out functions in relation to a review under
 - i. regulation 17(1); and
 - ii. the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- e) support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;
- f) oversee the implementation of any action that the local government:
 - i. is required to take by section 7.12A(3) of the Act; and
 - ii. has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a) of the Act; and
 - iii. has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
 - iv. has accepted should be taken following receipt of a report of a review conducted under the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c);
- g) perform any other function conferred on the Audit, Risk and Improvement Committee by these regulations or another written law.

In accordance with Reg. 14 (3A) of the *Local Government (Audit) Regulations 1996*:

- (3A) *The local government's Audit, Risk and Improvement Committee is to review the compliance audit return and is to report to the council the results of that review.*

Shire of Gnowangerup

NOTICE OF A COMMITTEE MEETING OF COUNCIL

Dear Committee Member

A meeting of the Audit, Risk and Improvement Committee of the Shire of Gnowangerup will be held on Wednesday, 25 March 2026 at the Borden Pavilion, Stone Street, Borden WA 6338 commencing at 2:00pm.

Signed



Thomas Gorman
DEPUTY CHIEF EXECUTIVE OFFICER

Meaning of and CAUTION concerning Council's "In Principle" support:

When Council uses this expression it means that:

- (a) Council is generally in favour of the proposal BUT is not yet willing to give its consent; and*
- (b) Importantly, Council reserves the right to (and may well) either decide against the proposal or to formally support it but with restrictive conditions or modifications.*

Therefore, whilst you can take some comfort from Council's "support" you are clearly at risk if you act upon it before Council makes its actual (and binding) decision and communicates that to you in writing.



DISCLAIMER

No responsibility whatsoever is implied or accepted by the Shire of Gnowangerup for any act, omission or statement or intimation occurring during Council or committee meetings.

The Shire of Gnowangerup disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or committee meetings.

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

In particular and without detracting in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or intimation of approval made by any member or officer of the Shire of Gnowangerup during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Gnowangerup.

The Shire of Gnowangerup advises that anyone who has any application lodged with the Shire of Gnowangerup shall obtain and should only rely on **written confirmation** of the outcome of the application, and any conditions attaching to the decision made by the Shire of Gnowangerup in respect of the application.

These minutes are not a verbatim record but include the contents pursuant to Regulation 11 of Local Government (Administration) Regulations 1996.

Signed

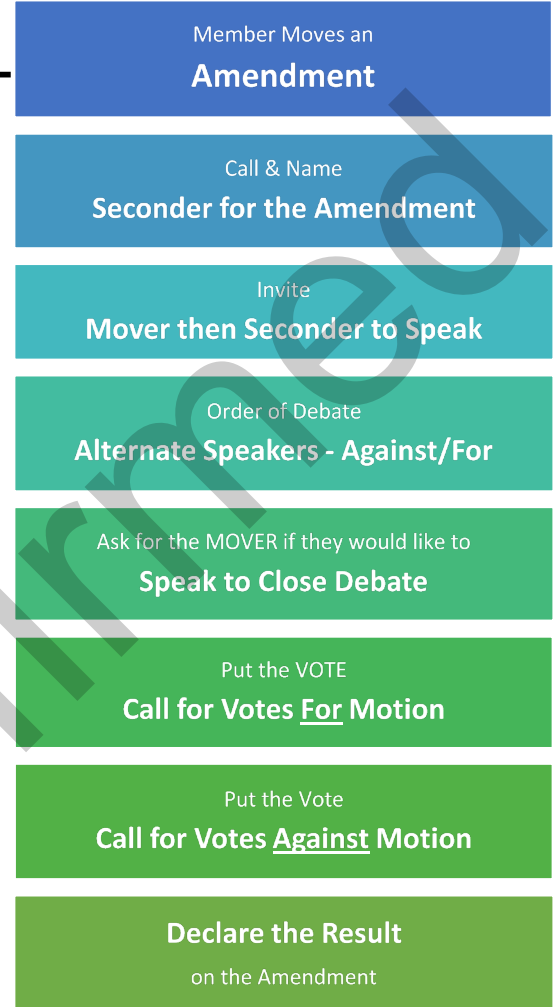
Thomas Gorman
DEPUTY CHIEF EXECUTIVE OFFICER

Process of Motions

ORIGINAL MOTION



AMENDMENT



ORIGINAL (SUBSTANTIVE) MOTION AMENDED?

NO

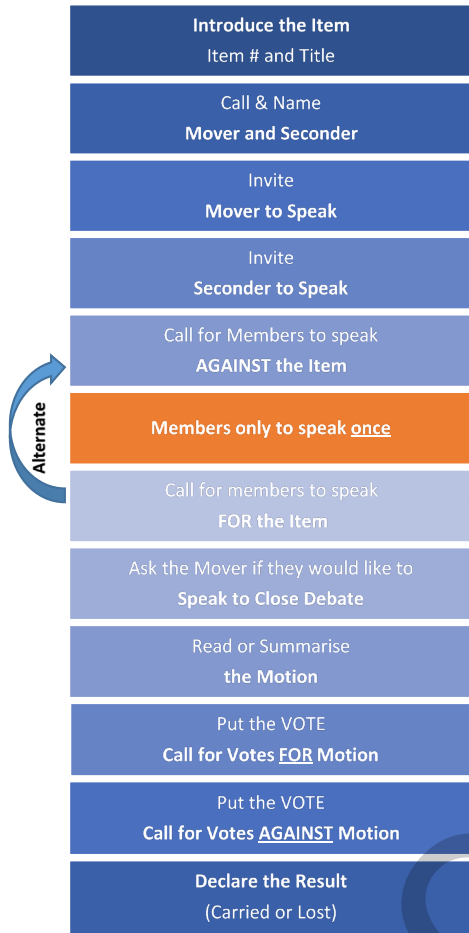
YES

Back to **ORIGINAL MOTION**
Pick up at same point in the **ORDER OF DEBATE**

Motion Amended and is now the **SUBSTANTIVE MOTION**

Slight clarification of wording of motion: A minor amendment of the motion can be done at any time through the President with the approval of the Mover and the Secunder. The Minor amendment must be minuted.

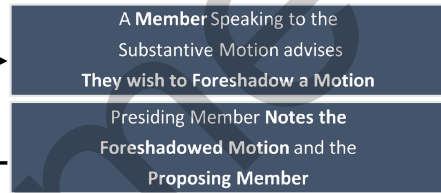
Substantive Motion



E.g. If the substantive motion is lost then I wish to foreshadow an alternative motion

During Debate of Substantive Motion

Debate of the Substantive Motion continues



Foreshadowed Motion

Substantive Motion LOST



Foreshadowed Motion Lapses

Note:

- Deferring an item wording:
 - “Deferred for consideration at on..... and resubmitting to Council.
- “Laying an item on the table” is similar to “deferring” but used when item will be re-considered later in the same meeting.
- Questions can be asked at any time, BUT cannot be debated.

TABLE OF CONTENTS

OPENING PROCEDURES

1. OPENING AND ANNOUNCEMENT OF VISITORS	1
2. ACKNOWLEDGEMENT OF COUNTRY	1
3. ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE	1
3.1. ATTENDANCE.....	1
3.2. APOLOGIES.....	1
3.3. APPROVED LEAVE OF ABSENCE.....	1
4. CONFIRMATION OF PREVIOUS MEETING MINUTES	2
4.1. AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES 13 AUGUST 2025.....	2
5. OFFICER ITEMS	3
5.1. 2024/2025 FINAL AUDIT MANAGEMENT REPORT.....	3
5.2. REVIEW OF FINANCIAL MANAGEMENT, RISK MANAGEMENT, LEGISLATIVE COMPLIANCE AND INTERNAL CONTROLS REPORT <i>(item was considered prior to Item 5.7)</i>	45
5.3. AUDIT FINDINGS REGISTER.....	13
5.4. NON-COMPLIANCE REGISTER REPORT.....	32
5.5. NON-COMPLIANCE REPORT – GARDENING SERVICES.....	36
5.6. NON-COMPLIANCE REPORT – ACCOUNTING SERVICES.....	40
5.7. CYBERSECURITY IMPACT ACTIONS FOR SHIRE OF GNOWANGERUP.....	50
5.8. WORKPLACE HEALTH & SAFETY ACTION PLAN.....	54
6. CLOSURE	93

OPENING PROCEDURES

1. OPENING AND ANNOUNCEMENT OF VISITORS

Presiding Member, Renata Paliskis, welcomed committee members and staff and opened the meeting at 2:00pm.

2. ACKNOWLEDGEMENT OF COUNTRY

The Shire of Gnowangerup would like to acknowledge the Goreng people who are the Traditional Custodians of this land. The Shire of Gnowangerup would also like to pay respect to the Elders both past and present of the Noongar Nation and extend that respect to other Aboriginals present.

3. ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

3.1 ATTENDANCE

Renata Paliskis	Independent Presiding Member (via TEAMS)
Emily Onn	Independent Deputy Presiding Member
Cr Kate O’Keeffe JP	
Cr Rebecca O’Meehan	
Cr Robert Minitier OAM	
Cr Mick Creagh	
Cr Rebecca Kiddle	
Cr Peter Callaghan	
David Nicholson	Chief Executive Officer
Tom Gorman	Deputy Chief Executive Officer
Rick Miller	Executive Manager of Infrastructure & Assets
Clementine Illy	Governance Support Officer
Peter Wall	Project Officer
Anita Finn	Senior Executive Assistant and Governance Officer

3.2 APOLOGIES

Nil

3.2 APPROVED LEAVE OF ABSENCE

Nil

4. CONFIRMATION OF PREVIOUS MEETING MINUTES

4.1 AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES 13 AUGUST 2025

COMMITTEE RESOLUTION

Moved: Cr R O'Meehan

Seconded: Cr R Kiddle

ARIC0326.01

That the minutes of the Audit, Risk and Improvement Committee Meeting held on 13 August 2025 be confirmed as a true record of proceedings.

UNANIMOUSLY CARRIED 8/0

FOR: Renata Paliskis, Emily Onn, Cr K O'Keeffe, Cr R O'Meehan, Cr M Creagh, Cr R Kiddle, Cr P Callaghan, Cr R Minter

AGAINST: Nil

The Chair advised that Item 5.2 would be considered prior to Item 5.7, so that the two confidential items could be dealt with consecutively.

5. OFFICER ITEMS

5.1	2024/2025 FINAL AUDIT MANAGEMENT REPORT
Location:	N/A
Proponent:	N/A
Date of Report:	3 March 2026
Business Unit:	Governance & Strategy
Responsible Officer:	Thomas Gorman – Deputy Chief Executive Officer
Author:	Thomas Gorman – Deputy Chief Executive Officer
Disclosure of Interest:	Nil

ATTACHMENTS

- Office of the Auditor General (OAG) Audit Report FYE 30 June 2025
- Management Letter with Management comments

PURPOSE OF THE REPORT

For the Audit, Risk and Improvement Committee to note the results of the 2024/2025 Final Audit and recommend that Council endorses the Final Audit Management Report dated 30 June 2025 and the responses of management.

BACKGROUND

The *Local Government Act 1995* (LGA) requires the accounts and annual financial report of a local government for each financial year to be audited by an auditor appointed by the Office of the Auditor General (OAG). The annual audit is conducted in two parts – an interim audit undertaken prior to the end of the financial year or start of the new financial year and the final audit which is undertaken on the completion of the draft annual financial statement.

COMMENTS

AMD Chartered Accountants undertook the 2024/2025 Interim Audit on behalf of the OAG. Details of the findings and subsequent responses from management can be found in the attached Final Audit Management Report.

Management has addressed the findings in their management responses as included in the Report.

CONSULTATION

Nil

LEGAL AND STATUTORY REQUIREMENTS

Local Government Act 1995

Section 7.2. Audit

POLICY IMPLICATIONS

Policy 2.13 Internal Control Policy

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

As per Council Plan 2025-2035

Theme	Leadership and Governance
Strategy	4.2. An efficient and effective organisation, providing appropriate services to our community.

STRATEGIC RISK MANAGEMENT CONSIDERATIONS

This item has been evaluated against the current Council approved Risk Management Register.

Risk description	Not to note the Final Audit Report and Management comments and not to recommend the endorsement by Council
Primary Strategic Risk Category	Adverse Regulatory Change
Primary Strategic Risk Category Description	<ul style="list-style-type: none"> • Investigation of Council for non-compliance • Litigation • Reputational damage
Consequence: (Insignificant, Minor, Moderate, Major, Catastrophic)	Moderate
Likelihood: (Almost Certain, Likely, Possible, Unlikely, Rare)	Possible

IMPACT ON CAPACITY

Moderate impact on capacity due to nature of recommendations and staff capability to implement changes.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

The recommendation has been made to ensure compliance with the LG Act and Regulations.

VOTING REQUIREMENTS

Simple Majority

COMMITTEE RESOLUTION

Moved: Cr P Callaghan

Seconded: Emily Onn

ARIC0326.02

That the Audit, Risk and Improvement Committee notes the results of the 2024/2025 Final Audit and recommends that Council endorses the Final Audit Management Report for the period ending 30 June 2025 from the Office of the Auditor General and the Management comments as included.

UNANIMOUSLY CARRIED 8/0

FOR: Renata Paliskis, Emily Onn, Cr K O'Keeffe, Cr R O'Meehan, Cr M Creagh, Cr R Kiddle,
Cr P Callaghan, Cr R Miniter

AGAINST: Nil



Auditor General

INDEPENDENT AUDITOR'S REPORT 2025 Shire of Gnowangerup

To the Council of the Shire of Gnowangerup

Opinion

I have audited the financial report of the Shire of Gnowangerup (Shire) which comprises:

- the statement of financial position as at 30 June 2025, the statement of comprehensive income, statement of changes in equity, statement of cash flows and statement of financial activity for the year then ended
- notes comprising a summary of material accounting policies and other explanatory information.

In my opinion, the financial report :

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

Basis for opinion

I conducted my audit in accordance with Australian Auditing Standards. My responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section below.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

Other information

The Chief Executive Officer (CEO) is responsible for the preparation and the Council for overseeing the other information. The other information is the information in the entity's annual report for the year ended 30 June 2025, but not the financial report and my auditor's report.

My opinion on the financial report does not cover the other information and accordingly, I do not express any form of assurance conclusion thereon.

In connection with my audit of the financial report, my responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or my knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work I have performed, I conclude that there is a material misstatement of this other information, I am required to report that fact. I did not receive the other information prior to the date of this auditor's report. When I do receive it, I will read it and if I conclude that there is a material misstatement in this information, I am required to communicate the matter to the CEO and Council and request them to correct the misstated information. If the misstated information is not corrected, I may need to retract this auditor's report and re-issue an amended report.

Responsibilities of the Chief Executive Officer and Council for the financial report

The Chief Executive Officer (CEO) of the Shire is responsible for:

- keeping proper accounts and records
- preparation and fair presentation of the financial report in accordance with the requirements of the Act, the Regulations and Australian Accounting Standards
- managing internal control as required by the CEO to ensure the financial report is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the CEO is responsible for:

- assessing the Shire's ability to continue as a going concern
- disclosing, as applicable, matters related to going concern
- using the going concern basis of accounting unless the State Government has made decisions affecting the continued existence of the Shire.

The Council is responsible for overseeing the Shire's financial reporting process.

Auditor's responsibilities for the audit of the financial report

As required by the *Auditor General Act 2006*, my responsibility is to express an opinion on the financial report. The objectives of my audit are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial report. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.

A further description of my responsibilities for the audit of the financial report is located on the Auditing and Assurance Standards Board website. This description forms part of my auditor's report and can be found at https://www.auasb.gov.au/auditors_responsibilities/ar4.pdf.

My independence and quality management relating to the report on the financial report

I have complied with the independence requirements of the *Auditor General Act 2006* and the relevant ethical requirements relating to assurance engagements. In accordance with ASQM 1 *Quality Management for Firms that Perform Audits or Reviews of Financial Reports and Other Financial Information, or Other Assurance or Related Services Engagements*, the Office of the Auditor General maintains a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Matters relating to the electronic publication of the audited financial report

This auditor's report relates to the financial report of the Shire of Gnowangerup for the year ended 30 June 2025 included in the annual report on the Shire's website. The Shire's management is responsible for the integrity of the Shire's website. This audit does not provide assurance on the integrity of the Shire's website. The auditor's report refers only to the financial report. It does not provide an opinion on any other information which may have been hyperlinked to/from the annual report. If users of the financial report are concerned with the inherent risks arising from publication on a website, they are advised to contact the Shire to confirm the information contained in the website version.

Carly Meagher
Senior Director Financial Audit
Delegate of the Auditor General for Western Australia
Perth, Western Australia
21 November 2025

Unconfirmed

SHIRE OF GNOWANGERUP

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Incorrect Calculation of Depreciation	No	✓			✓
2. Inaccurate Long Service Leave Balances	No			✓	
3. Inaccurate Sick Leave Provision	No			✓	

Key to ratings

The Ratings in this management letter 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).

Significant - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

Moderate - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Minor - Those findings that are not of primary concern but still warrant action being taken.

The ratings included are preliminary ratings and could be modified pending other findings being identified, rated and the consideration of them collectively on the ratings and any potential impact on the audit opinion.

SHIRE OF GNOWANGERUP

PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025

FINDINGS IDENTIFIED DURING THE FINAL AUDIT

1. Incorrect Calculation of Depreciation

During our review of depreciation, we noted the following:

- Depreciation rates for two classes of assets did not tie to the policy adopted by Council, resulting in a material adjustment to the financial statements.
- There were numerous assets which were not being depreciated due to being incorrectly set up in the system, resulting in a material adjustment to the financial statements.

We are satisfied that after adjustments, depreciation is not materially misstated in the financial statements.

Rating: Significant (2024: Significant)

Implication

- Risk of misstatement to property, plant and equipment and infrastructure.
- Risk budgetary information presented to Council is misrepresentative.

Recommendation

We recommend:

- It is ensured that the depreciation rates adopted by Council are flowed through the accounting system to the financial statements.
- Controls are put in place to ensure all assets that are set up in the system are correctly allocated a depreciation rate.

Management comment

Management acknowledges the error in applying incorrect depreciation rates to the two assets classes and has corrected the 2024-25 depreciation calculation as per the auditors' recommendation.

Depreciation rates for the following Infrastructure classes have been amended for the 2025-26 Financial year:

- *Asset 61093 Footpaths: amended to 20%,*
- *Asset 60023 Drainage – culverts and foodways: amended to 25%*
- *Asset 62001 Drainage – pits: amended to 25%*

A review of all asset classes will be conducted to ensure correct depreciation rates are applied.

Responsible person: Thomas Gorman Deputy CEO
Completion date: 4th November 2025

SHIRE OF GNOWANGERUP**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****2. Inaccurate Long Service Leave Balances**

During our review and testing of the long service leave reconciliation we noted for two employees that their balances were not accurate as at 30 June 2025, however the financial impact of this was trivial.

Rating: Minor**Implication**

- Risk of misstatement of long service leave liability.
- Risk of financial loss to the Shire through pay out of inaccurate long service leave liabilities.

Recommendation

We recommend the Shire carries out a detailed review of long service leave balances to ensure that the report per the system is accurate.

Management comment

We have reviewed and agree with the adjustment, and we will conduct a review of LSL provision during the current year.

Responsible person: Thomas Gorman Deputy CEO
Completion date: 4th November 2025

SHIRE OF GNOWANGERUP**PERIOD OF AUDIT: YEAR ENDED 30 JUNE 2025****FINDINGS IDENTIFIED DURING THE FINAL AUDIT****3. Inaccurate Sick Leave Provision**

During our review of the sick leave provision, it was noted that no adjustment had been posted in FY2025. Whilst the financial impact was trivial, the provision did not tie to the supporting report.

Rating: Minor**Implication**

Risk of misstatement of sick leave provision.

Recommendation

We recommend the Shire adopts procedures to ensure all balance sheet items are reviewed and update in line with supporting documentation at each financial year-end.

Management comment

The journal was actioned on 13th October 25 to adjust the provision. We will review procedures to ensure that all balance sheet items are properly reconciled with the appropriate documentation.

Responsible person:

Thomas Gorman Deputy CEO

Completion date:4th November 2025

5.3	AUDIT FINDINGS REGISTER
Location:	N/A
Proponent:	N/A
Date of Report:	3 March 2026
Business Unit:	Governance & Strategy
Responsible Officer:	Thomas Gorman – Deputy Chief Executive Officer
Author:	Thomas Gorman – Deputy Chief Executive Officer
Disclosure of Interest:	Nil

ATTACHMENTS

- Audit Findings Register

PURPOSE OF THE REPORT

For Council's Audit, Risk and Improvement Committee to receive and note the updated Audit Findings Register.

BACKGROUND

The Audit, Risk and Improvement Committee plays a key role in assisting a local government to fulfil its governance and oversight responsibilities in relation to financial reporting, internal control structure, risk management systems, legislative compliance, ethical accountability and the internal and external audit functions.

The Audit Findings Register is designed to assist the Audit, Risk and Improvement Committee monitor the implementation of recommendations from internal and external audits and reviews, including consultant and regulator reports.

The register is based on the Western Australian Public Sector Audit, Risk and Improvement Committees – Better Practice Guide template, published by the Office of the Auditor General (OAG) Western Australia and contains the following Audit Findings/Recommendations:

- Interim & Final Audit 2022/2023 by OAG
- Regulation 17 Review - AMD Chartered Accountants (January 2022)
- Regulation 5 (2) (c) - Financial Management Review - Avant Edge Consulting (November 2021)
- Interim Audit 2023/2024 by OAG (Audit undertaken by AMD Chartered Accountants)
- Final Audit 2023/2024 by OAG (Audit undertaken by AMD Chartered Accountants)
- Interim Audit 2024/2025 by OAG (Audit undertaken by AMD Chartered Accountants)
- Final Audit 2024/2025 by OAG (Audit undertaken by AMD Chartered Accountants)

I would make the comment that the level of audit findings in the last 2 financial years are:

	Interim Audit Items	Final Audit Items	Total Items
Financial Year 23-24	9	7	16
Financial Year 24-25	10	3	13

We would expect to see a significant reduction during the current financial year in the number of audit items raised. We are probably 12 months away from have developed our internal processes properly to expect effectively no audit items to be raised.

The open audit items that are shown in the register reflect the lack of staff resources from significant staff turnover over the last 2+ years. The finance function has already been reviewed with a Senior Finance and Finance Officers being appointed.

The DCEO and Senior Finance Officer will prepare a planning document to ensure the open items from the above Audit Findings Register are closed out as a matter of urgency.

COMMENTS

The Audit Findings Register provides the Audit, Risk and Improvement Committee with a progress report at every Audit, Risk and Improvement Committee meeting on actions taken by management and officers to implement audit recommendations. The information is to help the Audit, Risk and Improvement Committee to monitor the timeliness of agreed actions and understand the reasons for any delay.

As a result of significant staff turnover in senior and finance and executive staff, there has been no progress to date.

With the appointment of Project Manager for the DCEO and the author, we will start reviewing the status of all open items to ensure they are closed out over the next 6 months.

CONSULTATION

Nil

LEGAL AND STATUTORY REQUIREMENTS

Local Government Act 1995

Local Government Regulations (Audit) 1996

Local Government (Functions and General) Regulations 1996

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

As per Council Plan 2025-2035

Theme	Leadership and Governance
Strategy	4.2. An efficient and effective organisation, providing appropriate services to our community.

STRATEGIC RISK MANAGEMENT CONSIDERATIONS

This item has been evaluated against the current Council approved Risk Management Register.

Risk description	Not to note the Audit Findings Register
Primary Strategic Risk Category	Adverse Regulatory Change
Primary Strategic Risk Category Description	<ul style="list-style-type: none"> • Investigation of Council for non-compliance • Litigation • Reputational damage
Consequence: (Insignificant, Minor, Moderate, Major, Catastrophic)	Moderate
Likelihood: (Almost Certain, Likely, Possible, Unlikely, Rare)	Possible

IMPACT ON CAPACITY

Moderate: Updating & ensuring progress is made requires responsible, generally senior staff, to action items in a timely manner.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

The Audit Findings Register is a beneficial tool to assist the Audit, Risk and Improvement Committee meet their oversight obligations.

VOTING REQUIREMENTS

Simple Majority

COMMITTEE RESOLUTION

Moved: Cr R Kiddle

Seconded: Cr K O'Keeffe

ARIC0326.03

That the Audit, Risk and Improvement Committee notes the updated Audit Findings Register.

UNANIMOUSLY CARRIED 8/0

**FOR: Renata Paliskis, Emily Onn, Cr K O'Keeffe, Cr R O'Meehan, Cr M Creagh, Cr R Kiddle,
Cr P Callaghan, Cr R Minter**

AGAINST: Nil

Source and year (Internal audit/ the OAG / other external auditors)	Report date	Findings	Recommendation [record details]	Risk rating	Manager responsible	Original completion date	Prior Year Finding (originally raised)	Status	ACTION TAKEN	Management Comments on action taken
Financial Interim & Final Audit 2022/23										
Interim & Final Audit 2022/2023 by DryKirkness	19-Dec-23	Bank reconciliations	The bank reconciliations not completed in a timely manner.	Ensure that bank reconciliations are performed promptly and regularly to minimize the risk of inaccurate financial reporting. Reconciliations should be conducted every month, ideally within a reasonable time frame after the end of each month.	Significant	DCEO		Complete		Noted – all recommendations are in place. Unfortunately, our system does not have a bank reconciliation module, and this significantly impacts on the process. Oversight of these controls will be strengthened to ensure all actions are undertaken completely and in a timely manner.
			The bank reconciliation has not been signed and dated by the preparer and reviewer.	Implement a strong control framework that requires the preparer and reviewer to sign and date the bank reconciliation. This ensures accountability, strengthens oversight and enhances the reliability of the reconciliation process.			Complete			
			Long outstanding items in the bank reconciliation.	Promptly investigate and resolve outstanding items to minimise financial risk and maintain accurate records. Establish clear procedures for identifying and resolving such items, including follow-up with relevant stakeholders and ensuring appropriate actions are taken.			Complete			
		Payment not accurately reported in Council Minutes.	During our audit, we observed a discrepancy in the total payments approved by the Council from July 2022 to March 2023. The total amount reported in the Council minutes did not match the list of payments extracted from the accounting system. The total payments were understated by \$83,788.82 in the minutes.	We recommend that management ensure accurate and correct financial information is provided for Council approval.	Significant	Finance Division		Complete		The Shire thanks the auditors for bringing this to our attention and have since investigated and identified an issue within our finance system. The Shire has since implemented a manual process which requires monthly transactions listings produced for council is compared to the bank statement to ensure accuracy and completeness of information provided to council.
		Tender Document	Tender procurement process lacked appropriate documented evidence to show proper process was followed.	We recommend that management review and ensure compliance with the Local Government (Functions and General) regulation 3.57.	Moderate	DCEO or Senior Governance and Risk Officer		Complete		The Shire has reviewed this process and as a result we have implemented the following extra controls: 1. All RFQ's and RFT's are managed by the Senior Governance and Risk Officer and involves a staged process. An RFQ or RFT can not proceed to the stage until all required documents have been submitted and reviewed. 2. Upon an employee resignation the Shires information technology contractor will immediately undertake a full backup of the employee's computer to safeguard any information that may not have been appropriately recorded in the records system.
		Approval of Timesheets	We noted two instances out of a sample of 20 payroll samples where the supervisor did not approved the timesheet for the fortnightly report.	Management should clearly define and communicate the procedures for supervisor approval of timesheets in the payroll process and ensure that all timesheets are approved in a timely manner.	Moderate	N/A		Complete		The 2 instances were anomalies, and we are satisfied that the controls in place are fit for purpose for an organisation of our size. We will reiterate to the responsible employees their requirement to ensure timesheets are approved.
		Purchase orders dated after invoice date	During our procurement testing we identified 1 out of 59 payments where the authorized purchase orders were dated after the dates of the corresponding supplier invoices.	We recommend that management ensure that purchase orders are obtained prior to the purchase of goods and services for all payments as required per the purchasing policy.	Minor	DCEO		Complete		Noted. We report all non-compliant purchases to Council monthly and to the audit committee.
		Lack of purchase order for expenditure	During our audit, we observed 4 instances out of 45 samples where there was no purchase order attached.	To help ensure purchases have been appropriately authorised, all authorised officers should be reminded of the need to ensure purchase orders are raised prior to the authorising of works/services or ordering goods. This will also help to ensure budget responsibility.	Minor	DCEO		Complete		The Shire notes that most of the instances related to our fuel supplier (2) and photocopier machine supplier (1). We have since implemented raising PO's for the annual budgeted amount for certain suppliers. The Shire also reports any non-compliant purchases to the Council and Audit Committee.

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		Lack of user-restricted access to specific functions in Synergy Soft	Based on the financial system user access rights matrix analysis, we observed that 2 users had been granted access to the delete option. We recommend that no user has delete options in financial records.	Significant	DCEO			Complete	upon investigation of the system it has been identified that users must have access to the delete function to undertake some tasks in synergy, such as cancelling PO's etc. In order to monitor this all users have the delete function disabled and if required approval from the DCEO is sought to activate for the specific user to action the approved tasks. Upon completion the users delete function is disabled and an audit report is produced to verify actions taken and reviewed by the DCEO.	<i>This is disappointing. The prior year recommendations were implemented and this year the finding has been re-raised with a changed, more specific recommendation which has been immediately implemented. Due to the previous year's recommendation not being specific it has resulted in a significant finding.</i>
		Inadequate procurement practices	2 purchases out of a sample of 45 tested were not supported by the number of quotations as required by Shire's Purchasing Policy. We recommend that management ensure that the Purchasing Policy is adhered to and the necessary quotes are obtained before a decision is made to contract a supplier to ensure that a competitive price representing value for money is obtained.	Moderate	N/A			Complete		<i>The instances relate to timing issues and appropriate processes were followed. The Shire has robust procurement policies and procedures that are fit for purpose for the size of the organisation.</i>
		Supplier Master File	We noted one occurrence where the supplier form had not been signed by the supplier out of the nine samples we examined. Additionally, we identified one instance where the assigned reviewer had not reviewed the supplier form. Furthermore, we noticed that bank deposit slips or bank statements were not acquired for new suppliers, and there was a lack of confirmation via telephone for changes made to the bank account of existing suppliers. We recommend that the shire implement a policy requiring all supplier forms to be signed by the supplier before being processed and ensure independent review of the supplier form by authorised personnel. Implement procedures to collect bank documentation and confirm supplier bank details over the telephone for all existing suppliers.	Moderate	DCEO			Complete	Eftsure is no longer used due to cost implications. All new suppliers must provide a copy of their bank statement no older than 6 months which clearly shows BSB and Acc No and Business name OR a deposit slip with the above information. All other steps followed as per management comment.	<i>The following new processes have been put in place to reduce risk & increase compliance: 5. All changes made to a supplier are signed off by a reviewer to check the changes made are correct & are as presented. 6. All BN checks are attached to all new suppliers. 7. The Shire now utilises EFTSure in ensuring that all bank details are correct; and 8. A fortnightly audit trail is printed after each creditor & payroll processing period & must be presented with supporting documentation to be signed off by a senior officer.</i>
		Revenue to be recognised in accordance with AASB 15	There were inaccuracies in the reporting of grant income in the monthly Financial Activity Statements. Revenue recognition is not aligned with the performance obligation being met. We recommend that management to conduct a comprehensive review of revenue recognition practices and procedures enhancing internal control over financial reporting processes, particularly in the areas of revenue recognition and grant income reporting.	Minor	DCEO			Ongoing	This process is in the process of being implemented.	<i>Noted</i>
		Review of Creditor Batch Payment	During our batch payment testing, we observed that out of the 15 payment batches sampled, there was one instance where we could not verify the evidence of the review of the creditor batch transaction listing report. We recommend establishing clear and documented procedures for the review of creditor batch transaction listing.	Minor	N/A			Unresolved	Updating of all procedures across the organisation is in progress.	<i>Noted</i>

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Regulation 17 Review - AMD Chartered Accountants	19-Jan-22	Risk Management	<p>Policies and Procedures - The following Policy and/or procedures required further enhancement.</p> <p>A. Further Enhancement Required:</p> <ul style="list-style-type: none"> •Risk Management Policy - This was last reviewed by the Shire in May 2019, however the policy still references the former AS/NZS 31000:2009 standard; as opposed to the current standard, AS/ISO 31000:2018. •Public Interest Disclosure - This procedure refers to the former Deputy CEO as the Public Disclosure Officer. 					Unresolved	Risk Management Policy was reviewed August 23, an amount has been allocated in the budget to update the risk management strategy.	A full review of current Policies and Procedures will be completed during 2022 as per the recommendation.
		<p>Policies and Procedures - The Shire's current practices relating to the following matters are not formally documented and/or addressed in policies or procedures.</p> <p>B. No Policy or Procedure:</p> <ul style="list-style-type: none"> •Litigation and claims •Environmental Risk Management •Waste Management •Events Management •Safety procedures including Inductions for Contractors and outside workers. •Tender Process •Server Back-up •Appropriate Use of Shire IT and •IT Equipment Disposal 	Medium	DCEO or Senior Governance and Risk Officer			Unresolved			
		<p>Policies and Procedures - The following Shire practices are documented and / or addressed in policies or procedures; however the policy or procedure was in draft format at the time of our review and has not been approved and communicated to staff.</p> <p>C. Policy or Procedure in draft</p> <ul style="list-style-type: none"> •Annual Performance Appraisal procedure •Salary Sacrifice Procedure •Council Superannuation Contributions procedure •Surplus Plant, Equipment and Materials procedure •Rate Payments by Employees procedure •Crossover and Entrances procedure •Street Trees procedure •Exploration Drilling on Shire Roads and Reserve procedure •Footpath/Kerbing Deposit procedure 					Unresolved	We are in the process of reviewing existing and implementing new policies & procedures		
		<p>Policies and Procedures - The following policie, procedures and / or plans are potentially out of date and may require review (last reviewed three years prior).</p> <p>D. Potential Out of Date Documents</p> <ul style="list-style-type: none"> •Public Interest Disclosure procedure (guideline) (April 2018) •Workplace Harassment and Bullying procedure (Nov 2015) •Insurance Claims procedure (Nov 2016) •Buy Local procedure - Regional Price Preference Questionnaire (Revision date not provided) •Collection of Outstanding Rates procedure (Nov 2015) •Corporate Credit Card procedure (Nov 2015) •Asset Management procedure (Nov 2015) 					Unresolved	Buy Local Policy under-review Credit Card policy updated August 2024		
		<p>Business Continuity Plan Testing - Council's existing Business Continuity Plan, whilst up-to-date, has not been tested in full nor is there a formal process or predetermined schedule for future testing of the plan.</p>	We recommend the Shire implement a process to test and evaluate the Business Continuity Plan's effectiveness to ensure it is current, adequate, and will mitigate disruption in the event of unforeseen circumstances.	Medium	DCEO			Unresolved	Reraised in 24/25 FA	

Source and year (Internal audit/ the OAG / other external reviews)	Report date	Findings	Recommendation [record details]	Risk rating	Manager responsible	Original completion date	Prior Year Finding (originally noted)	Status	ACTION TAKEN	Management Comments on action taken
		<p>Insurance Register - As noted at 2.2.1 (D) the shire has an Insurance Claims Procedure in place, however, our inquiries indicate the Shire does not maintain a register of insurance claims including details such as the date of the accident / incident, a description of the accident / incident, the date the claim was lodge with the insurer and the outcome of the claim in place.</p>	<p>We recommend a register of all insurance claims be developed and maintained.</p> <p>This information will enable a regular review of the insurance register to be performed to assess whether appropriate and timely action is being undertaken in respect to open claims.</p>	Low	DCEO			Unresolved		A register of all insurance claims will be developed and maintained as per the recommendation.
		<p>Register of Audit and Review Recommendations - We noted there is currently no register maintained to track the progress regarding implementation of recommendations / actions arising from Office of the Auditor General Financial Audit, FMSR, Regulation 17 or other internal reviews is carried out.</p>	<p>We recommend a register of recommendations be developed and implemented, with the register tabled at future Audit Committee meetings</p>	Low	DCEO			Complete	An Audit Findings Register has been introduced this year	A Register of Audit and Review Recommendations will be developed and implemented as recommended.
		<p>Internal Controls</p> <p>Tender Management - Our Review of 2 major tenders (RFT2021-4 and RFT2021-6) identified the following in relation to Tender Management and disclosure.</p> <ul style="list-style-type: none"> • Council's internal proforma documentation does not identify the Shire Officer responsible for overseeing the Tender deliverables • Following the awarding of the Tender to the successful contractor, no formal contracts were subsequently executed • Whilst there is a Tender Register published on the Shire's website, this was not updated with current information in relation to the Tenders as at the date of our review. 	<p>We recommend:</p> <ul style="list-style-type: none"> • Enhancement to the current Tender management process, incorporating the inclusion of a responsible officer to be specified; • Formal contracts be developed and executed for all successful Tenders; and • Ensure up to date information is included on the Shire's website in respect of Tenders. 	Medium	SGRMO			Unresolved	We are in the process of reviewing existing and implementing templates. New templates e.g internal request for Tenders has been created. The Tender Register on the Website is up to date	<p>The Tender management process will be reviewed. A responsible officer for all Tenders will be nominated. Formal contracts for all Tenders will be developed.</p> <p>The Shire is currently publishing (and will continue to publish) up to date information on the Shire website in respect of Tenders.</p>
		<p>Legislative Compliance</p> <p>Long Term Financial Plan - Our inquiries indicate the Shire's Long term Financial Plan incorporates forecast financial information to the 2028/29 Financial year representing only 8 years of data.</p>	<p>We recommend the Shire review and update the Long Term Financial plan to ensure that forecast data is available for the following 10 years at all times.</p>	Low	DCEO			Unresolved	Budget allocation for 24/25 completion	The Long-Term Financial Plan (LTFP) was not updated during 2020 due to COVID-019 constraints. The LTFP is currently under review and a new LTFP should be completed by March 2022. This will include full 10 year projections.
		<p>Internal Audit - We noted that the Shire does not currently have a formal documented internal audit program in place.</p>	<p>The Department of Department of Local Government, Sport and Cultural Industries guidelines recommend an internal audit function be established incorporating an internal audit program which is re-assessed annually.</p> <p>Should the Shire consider an internal audit function not be required, we suggest the Audit Committee formally document they have considered the best practice guideline and the reasons they feel it is not necessary.</p>	Low	DCEO			Unresolved		The Shire will seek further advice in regard to this, keeping in mind the resourcing limitations, and consider options for an appropriate internal audit function.
		<p>Complaints Handling - Our inquiries indicate there is currently no written Complaints Handling procedure in place for Councillors.</p>	<p>We recommend the development and implementation of a Complaints Handling procedure. This procedure should not only include the processes to follow in the case of a complaint being made against Councillors and/or Shire staff but also the recording of these complaints on a centralised register. The ability to make complaints anonymously should also be included within the procedure.</p>	Low	SGRMO			Unresolved	Waiting for the amendments to the legislation. Now covered by policies & Code of Conducts	A Complaints Handling Procedure incorporating the above recommendations will be developed and integrated with our Recordkeeping Procedure.

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		Monitoring Contracts	<p>The Shire currently does not have policies or procedures regarding contract management. In the absence of formal contract management policies and procedures it was not clear as to who was responsible for and how such responsibility was to be initiated for monitoring of works under existing supplier contracts and also regarding the approving of contract extensions and contract over payments. Further, although formal contracts are in place for most awarded contracts, I was unable to determine whether formal contracts are drawn up for Road Works related works. Based on discussions with the DCEO it does not appear that formal contracts are created for Road related works.</p> <p>The Shire should develop formal contract management policies and procedures. The policy and procedures should include at least the following:</p> <ul style="list-style-type: none"> Formal Contracts to be developed for say all contracts over \$100,000 (the shire may decide that this is too high and may consider over \$50,000). Process for checking insurances, licensees, qualifications etc. Process for checking that contractual obligations are being continually monitored and complied with. Contract variation, extension and renewal process and approvals. Monitoring contract overspends and approval process. Supplier post contract performance assessments. The assessment should be documented, signed off by the appointed contract manager or the CEO or Works Manager and stored together with the contract management documentation. <p>I also recommend that the CEO establish a process by which all contract management process documentation is maintained and stored in a central location that is easily accessible as evidence that contracts are being managed and signed off by the CEO, appointed contract managers or the Works Manager prior to contract ending.</p>	Medium	Contract Manager			Unresolved	Contract Manager employed 2024	<p>A formal Contract Management Policy will be developed. However, please note:</p> <ul style="list-style-type: none"> Procedure for handling of contracts forms part of the Corporate Risk Officer Works Procedure Manual, as it is the responsibility of the Officer to maintain the Contracts Register and recording of Contracts/Leases and Agreements. A register with all current and expired contract information is kept on the W-Drive under W:\CORPORATE DOCUMENTS FOLDER\CONTRACTS, LEASES & AGREEMENTS. The register is updated when new contracts are executed/renewed or expired. The register further contains the Synergy Soft record number for each current or expired contract. PDF Copies of Contracts are also kept on the W Drive for quick access/reference. Contracts/Leases and Agreements are recorded in SynergySoft and the original signed documents are kept in clearly marked files in the safe. Expiring Contracts/Leases and Agreements are taken to the first Manex meeting every month as a fixed Agenda item at least 6 months before their expiry to alert management a decision on process for renewal/extension/tender/quotation is made by management. The Shire's Purchasing Policy (Policy 4.1) outlines whether a contract is to go to tender or request for quotation. The Shire's WHS Contractor Management Policy (Policy 3.7) outlines the process to be followed before a contractor is engaged and what documents are required, i.e. insurance, applicable licenses and induction processes. The Policy also states that a Post Contract Evaluation is required upon completion of a service contract. A copy of the WHS Contractor Management Policy is attached for information purposes.
								Unresolved	no progress will be considered as part of new contract role	
								Unresolved	as above	
								Unresolved		
								Unresolved		
								Unresolved		
								Unresolved		
								Unresolved		

Source and year (Internal audit/ the OAG / other external assurance)	Report date	Findings	Recommendation [record details]	Risk rating	Manager responsible	Original completion date	Prior Year Finding (originally raised)	Status	ACTION TAKEN	Management Comments on action taken
		<p>Accounts Payable (Use of Purchase Orders)</p> <p>I noted that the Shire does use purchase orders and that invoices will not be paid unless the invoice can be matched to an approved purchase order. However, I also noted that for larger contracts where regular invoices are being received for payment, the Shire does not create a purchase order for the whole contract \$ value but rather creates individual purchase orders to cater for each individual invoice that is received from the supplier. Creating a purchase order for the whole of the contract \$ value allows the Shire to maintain better control over the contract and ensure possible contract overpayments are able to be more easily identified. Where purchase orders are created only for individual invoices, there is a possibility that contract overpayments may go undetected. Further this will allow any contract variations to be tracked more easily in which once approval is given to vary a contract the purchase order can also be amended to reflect the variation.</p>	<p>I recommend that the Shire give consideration to creating purchase orders, for large ongoing contracts, for the whole contract \$ value at the time of the contract being approved and all individual supplier invoices under that contract can be matched to the purchase order.</p>					Unresolved		Implement as recommended, for the financial year.
		<p>System Access (Seperation of Duties)</p> <p>As part of my review, I assessed system access that has been provided to various Shire staff to ensure such access was appropriate. I noted the following accesses which may need attached -</p>						Unresolved		
		<p>Accounts Payable . The following positions have full access to create, modify Creditors within Synergy -</p> <ul style="list-style-type: none"> • CEO • DCEO • Corporate Risk Officer (NOTE: this is only in place on a temporary basis due to new role changeover at the time of review) • Darren Long - Finance Contractor <p>As the DCEO is responsible for signing off on the fortnightly creditor payments, the DCEO should not have access to create or modify new Creditors. I believe all that the above positions require is "Enquire" only access.</p>		Medium	DCEO			Unresolved		Accepted, the changes will be implemented as recommended.
		<p>Payroll. The following positions have full access to create and modify employees within Synergy -</p> <ul style="list-style-type: none"> • CEO • DCEO • Corporate Risk Officer (NOTE: this is only in place on a temporary basis due to new role changeover at the time of review) • Darren Long - Finance Contractor <p>As the DCEO should be certifying correctness of fortnightly payroll data he also should not have access to create or modify employee information. I believe all that the above positions require is "Enquire" only access.</p>	<p>I recommend that the Shire investigate current access levels of all positions, especially the above and ensure that the access is only provided to those that require access to perform their functions. Care should be taken to ensure that proper segregation of duties is exercised to avoid possible control issues.</p>					Unresolved		Accepted, the changes will be implemented as recommended.
		<p>Rates. The following positions have full access to create and modify Rates within Synergy -</p> <ul style="list-style-type: none"> • Building Surveyor • Casual Position (this may currently be vacant) (NOTE: This access was for issuing of Refuse Tip Passes) • CEO • DCEO • Corporate Risk Officer (NOTE: this is only in place on a temporary basis due to new role changeover at the time of review) • Darren Long - Finance Contractor • Records Admin • Rates Health Check Position <p>I believe all that the above positions require is "Enquire" only access.</p>						Unresolved		Accepted, the changes will be implemented as recommended.

Source and year (Internal audit/ the OAG / other external engagements)	Report date	Findings	Recommendation [record details]	Risk rating	Manager responsible	Original completion date	Prior Year Finding (originally raised)	Status	ACTION TAKEN	Management Comments on action taken
		<p>General Ledger. The following positions have full access to create, modify General Ledger within Synergy -</p> <ul style="list-style-type: none"> • CEO • DCEO • Records Management Position • Darren Long - Finance Contractor - we believe this access should remain. 						Unresolved		Please refer to responses above.
		<p>Staff Login Access</p> <p>I noticed that the staff computer logon access has not been regularly reviewed to ensure only valid staff have access and that access to terminated staff and positions are ceased. I noted the following:</p> <ul style="list-style-type: none"> • 2 terminated staff still have a valid logon • There are a various number of active generic logons which need to be investigated to determine whether they are still needed. Generic logons should be investigated as to their use on a regular basis. 	<p>I recommend that the shire investigate the logon listing to ensure that only valid staff have active logons and that all generic logons are deleted where they are no longer required.</p>	Low	RRO			Completed	New and exit user register has been created by RRO Officer, found here: \\GSCSERVER\Data\CORPORATE DOCUMENTS FOLDER\INFORMATION TECHNOLOGY	Implement as recommended. (Process has already commenced, ITSolutions have been advised (23rd November 2021) and requested to delete terminated staff and generic logons that are no longer required).
		<p>General Ledger</p> <p>The Shire does not have adequate policies or procedures over the journal processing and authorisation process. The procedure should cover end on month accruals processing, reconciliation and also authorisation process.</p>	<p>I recommend that the Shire develop policies and procedures regarding the end of month processing process.</p>	Low	DCEO			Unresolved		Do not agree that a policy is appropriate or required at this level. Procedure to be developed - add to current SFO/FO Month End procedures document. **Please note: Journal Register already used.**
		<p>Payroll</p> <p>The Shire does not have adequate policies or procedures over the process of staff recruitment. I could not find documentation which stated how a new staff is to be selected as part of a selection interview, whether a panel is required, how referee process will work, validating an applicant via possible 100-point checks, assessing validity of staff qualifications, criminal checks and also ensuring that all selection of panel members have provided a conflict of interest declaration.</p>	<p>I recommend the following:</p>	Low	DCEO			Unresolved		<p>The Shire has a current Recruitment and Selection Policy and Procedure. This Policy and Procedure will be reviewed and amended to confirm and ensure it is followed and aligns to OAG recommendations as above. However, please note:</p> <ul style="list-style-type: none"> • Recruitment panels are established as standard procedure. • Recruitment interview questions are prepared for all advertised positions. • Reference check template is utilised <p>The DCEO does review the fortnightly payroll prior to processing and payment to staff bank accounts. The SFO completes a detailed check of all payroll calculations.</p> <p>DCEO will review and sign-off all termination payments as recommended.</p>
		<p>Further i noted that the DCEO does not at present certify the fortnightly payroll prior to be processed and paid into staff bank accounts. This certification is currently being carried out by the Senior Finance Officer.</p> <p>Finally, I noted that the termination calculation that is produced by the Finance Officer as part of the Payroll is also not signed off and checked by the DCEO as evidence that the final termination payment has been correctly calculated.</p>	<ul style="list-style-type: none"> • The Shire develop formal policies and procedures to cover staff interviews and staff verification processes as part of employing new staff in line with the Office of the Auditor Generals performance report issued to all local councils in 2020 (a copy is attached). • The DCEO provide certification of the fortnightly pay and also certifies correctness of all final termination payment calculations. 	Low	DCEO			Completed		
		<p>Rates</p> <p>I noted that 3 golf clubs are currently exempt from general rates:</p> <ul style="list-style-type: none"> • Borden Golf Club • Gnowangerup Golf Club • Ongerup Golf Club <p>As per the Local Government Act only those that come under the definition of a religious group, provide charitable services or are of a not for profit providing community services can be considered to be exempt from being assessed for general rates.</p> <p>I dont believe the above three golf clubs would meet the religious and charitable definition.</p>	<p>I recommend the Shire investigate the reason for these 3 golf clubs being assessed as exempt from general rates.</p>	Low	DCEO			Unresolved	CG 10/24 a report is being prepared for coucil to consider if an exemption/forgiving of rates for the shire golf courses is appropriate.	To be reviewed as recommended.

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		<p>Procurement Quotations</p> <p>The Shire's procurement policy requires that based on the value of the services being procured either a verbal or written quotes are required to ensure the shire is receiving value for money from its procurements. The policy also states that the quotes should be provided with the purchase order and sent to the Accounts Payable for invoice processing.</p> <p>I noted that the written quotes are not always accompanying the purchase order and sometimes the quote amount only is recorded on the purchase order.</p>	<p>I recommend the Shire issue clearer instructions to all staff that all written quotes should be attached to the approved purchase order as evidence that the required number of quotes was obtained as per the Shire's policy and also to enable the officer approving the purchase order to satisfy themselves that value for money has been assessed.</p>	Low	DCEO			Unresolved	CG 10/24 will remind staff that quotes with adequate details are to accompany PO's for payment.	The requirements for attachment of written quotes to Purchase Orders will be reinforced with staff as recommended.
		<p>Observations (No Recommendations Made)</p> <p>Shire Guidelines: The shire should ensure that all its policies, procedures and written guidelines are subjected to regular review and should be updated at least once every 2 years.</p>			SGRMO			Completed	A Policy Review register has been implemented in August 2023 which includes a schedule of reviews	The Shire currently maintains a rolling review process.
		<p>Software and Software Usage Policy: The Shire currently does not have a Software register to identify all software that is loaded and used by staff and also does not have a Software Usage Policy in order what software should or should not be uploaded on Shire computer equipment.</p>			DCEO IT			Unresolved	CG 10/24 need to seek advice from SolutionsIT	The Shire will develop a software register and usage policy as recommended.
		<p>Petty Cash Policy: The petty cash and till float policy should be reviewed and updated as the policy shows that there is a \$1,000 float but the float has now been changed.</p>			DCEO			Completed	Has been updated PC is now \$300	COMPLETED
		<p>Credit Card Policy: Credit card policy 6.4 needs to be updated re: the credit card limits for the two card holders the CEO and DCEO. The policy is currently showing that the CEO has a \$ limit of \$10,000 and the DCEO has a \$ limit of \$5,000. However, I understand that there is only one \$ limit of \$10,000 which is shared between the two card holders.</p>			DCEO			Completed	Reviewed and updated	COMPLETED
		<p>Fixed Assets Register: I noted that the fixed assets that existed prior to 2005 before the fixed assets were taken up in synergy. The Shire needs to follow this up with the Shire's IT service provider, IT Vision, to see how these assets can be removed from the asset register.</p>			DCEO			Unresolved	CG 10/24 need further investigation to understand finding	Shire staff will work with IT Vision to remove these from the system.
		<p>Fixed Assets Register: Further the Shire's fixed asset policy within the Shire's Internal control Manual should include the need to undertake annual stocktakes of all plant and equipment and for the stocktake to be signed off by at least 2 shire officers as evidence that the stocktake was undertaken.</p>			DCEO			Unresolved	CG 10/24 Amended, will look to implement a 'rolling stocktake' of all shire assets where all assets have been included in a stocktake over a 3 year period.	

Source and year (Internal audit/ the OAG / other external audits)	Report date	Findings	Recommendation [record details]	Risk rating	Manager responsible	Original completion date	Prior Year Finding (originally raised)	Status	ACTION TAKEN	Management Comments on action taken
Financial Interim & Final Audit 2023/24										
Interim & Final Audit 2023/2024 by AMD Chartered Accountants	30-Jun-24	Bank reconciliations	During the audit, we observed that the bank reconciliations for the months of August and February NAB Municipal account were not completed in a timely manner. The bank reconciliation for December 2022 and February 2023 for the Bendigo Municipal Account (633-000 183706381) has not been signed by the preparer and reviewer, and it is also not dated. There have been long outstanding items since 4 August 2022, in the month of August 2022, October 2022, December 2022 and February 2023 for the Bendigo Municipal Account (633-000 183706381).					Complete		When it was identified that bank reconciliations were not being performed in a timely manner, this was rectified immediately and are now up to date. The external consultant that has been engaged to undertake the bank reconciliations does not have access to the Shires bank accounts and therefore the risk is considered low. The consultant has team members who prepare the bank reconciliation, and the consultant then reviews. Being a small LG we have limited capability and or capacity to review all work undertaken by external consultants and therefore apply a risk-based approach when determining what work to review.
			<ul style="list-style-type: none"> Bank reconciliations are performed promptly at each month end. A member of Shire management reviews monthly bank reconciliations where completed by external practitioner and this review is evidenced. 	Significant	DCEO	Completed				
		Inadequate Monthly Reconciliation Procedures	Monthly reconciliations of key balance sheet items were not performed promptly and consistently throughout the year. Reconciliations performed by an external practitioner during the second half of the financial year, were not subject to independent review by the Shire's management.	<ul style="list-style-type: none"> Monthly reconciliations of key balance items should be performed promptly at each month end. To help ensure the month end reconciliations are correct, as well as prepared regularly and promptly, they should be reviewed by Shire management. This review should seek to confirm the accuracy of the reconciliation and should be evidenced accordingly. 	Significant	DCEO	Completed			Note comment regarding bank reconciliations.
Opening Balances Variance		Opening balances are misstated.						Complete		Has been rectified. It was investigated and discovered it was due to the Shires finance system which does not have the capacity to close prior periods. Employees can accidentally set the period they are working in a prior period without alerts or other means of identifying the error which is what has caused this error. An employee has accidentally set their period to the prior year and for that one day posted all entries to the incorrect period. The Shire is aware of the issue and often sends reminders to employees to ensure they are posting to the correct period.
		Postings being made in error to prior year highlight a weakness in internal controls that could lead to further inappropriate or incorrect postings which may lead to material variances in the future.	<ul style="list-style-type: none"> Opening balances are reviewed and reconciled ahead of the final audit. The cause of these postings being investigated and controls be introduced to prevent (or reduce to the extent possible) such postings being made in the future. 	Significant	DCEO					

Source and year (Internal audit/ the OAG / other external organisations)	Report date	Findings	Recommendation [record details]	Risk rating	Manager responsible	Original completion date	Prior Year Finding (originally raised)	Status	ACTION TAKEN	Management Comments on action taken
		<p>Inadequate Journal Procedures</p> <p>If journals are not independently reviewed and approved, there is a risk that erroneous or fraudulent transactions may pass undetected. Accounting journals can represent significant adjustments to previously approved accounting transactions.</p> <p>A journal file/register ensures journals are supported by appropriate evidence and approvals, to enable a clear audit trail for any further investigations required in relation to the journal.</p>	<ul style="list-style-type: none"> All journals are independently reviewed by Shire management. A complete and detailed journal file/register is maintained. 	Significant	DCEO	Completed		Complete		As per the bank reconciliation comment, these issues relate to a specific period and upon identifying the issue was immediately resolved.
		<p>Management advised the Shire's Disaster Recovery Plan has not been tested.</p> <p>Without testing of the Plan to ensure its effectiveness, the Shire is vulnerable to extended downtime, data loss, financial implications and regulatory consequences. The Shire may not be able to continue the delivery of critical services following a disruptive event.</p>	We recommend the Shire adopts a testing schedule for the Plan and ensure it is adhered to.	Significant	DCEO	Feb-26	22/23 FY	Unresolved		The Shire has had a period of sustained staff shortages and has not had the capacity to undertake a test of the disaster recovery plan. Based on the projected financial year capacity it is unlikely that it will be completed in 24/25. It is anticipated that this project will be completed during the 2025/26 financial year subject to council approval of the budget
		<p>Lack of IT Policies, Strategic Plan, IT Risk Register</p> <p>During our review of IT Policies & Procedures, we noted the following:</p> <ul style="list-style-type: none"> The Shire does not have an IT Strategy The Shire has limited IT Policies and Procedures in place, and do not encompass; General IT, Cyber Security and Change Management Policies. The Shire does not maintain an IT Risk Register. Shire staff have not received formal Cyber Security Training. 	We recommend the Shire conducts a comprehensive review of IT as soon as possible and introduces an IT strategy, appropriate IT policies and procedures and conducts cyber security training for Shire employees.					Unresolved		The Shire budgeted for the above to be undertaken during the 23/24 financial year but due to unforeseen circumstances the budgeted amount had to be diverted to critical legal matters. An amount has been allocated to the 24/25 budget to commence the process, but again due to capacity the Shire will be limited in what can be undertaken in that period. <ul style="list-style-type: none"> IT Strategy – engage consultant to update 2018 IT strategy Completion by December 2024 IT Policies and Procedures – engage consultant to update and encompass; General IT – Completion December 2024
		<p>Credit Cards and Fuel Cards</p> <p>During our review of credit card statements, we noted that the CEO and Deputy CEO's credit card statements were not consistently subject to independent review during 2023/2024 financial year. We also note there is no fuel card policy in place.</p>	We recommend that all credit card statements should be subject to independent review. We also recommend a fuel card policy be documented, approved and the fuel card policy be signed off by employees issued fuel cards.	Moderate	DCEO	Dec-24		Complete		Noted. A fuel card policy will be developed and implemented.
		<p>Inadequate Risk Management Procedures</p> <p>We noted that the Shire's Risk Dashboard/Register has not been reviewed since May 2023</p>	We recommend the Risk Register be reviewed as soon as possible and moving forward the Register be reviewed at least quarterly, in line with best practice.	Moderate	DCEO	Dec-25		Unresolved		This project had commenced in 23/24 but the responsible officer had an unforeseen absence. It has been determined that the project will be outsourced and upon adoption of the 24/25 budget the project will recommence and will incorporate the IT risk register. Also note the Shire has updated the Audit Committee to the Audit and Risk Committee. This is a long-term project which includes uplifting the capability of the committee to appropriately oversee the risk management of the Shire.
		<p>Lack of Detailed Fixed Asset Register Review</p> <p>From inquiries of management, we note it has been several years since a reconciliation was undertaken between the fixed asset register and physical assets.</p>	We recommend a thorough reconciliation between the fixed asset register and physical assets is performed as soon as possible and is performed at least annually moving forward, in line with best practice.	Minor	DCEO	Mar-25	FY 20/21	Unresolved		As discussed with the audit team, this project was commenced in 23/24 but due to lack of capability and no other resources being available to undertake the project it was not finalised. Several attempts have been made to recruit appropriate resources that would be responsible to undertake the project but without success. Funding has been allocated in the 24/25 budget to renew the asset maintenance and replacement plan which will require the register to be reviewed.

Source and year (Internal audit/ the OAG / other external audits)	Report date	Findings	Recommendation [record details]	Risk rating	Manager responsible	Original completion date	Prior Year Finding (originally raised)	Status	ACTION TAKEN	Management Comments on action taken	
Financial Interim & Final Audit 2024/25											
Interim Audit 2024/2025 by AMD Chartered Accountants	30-Jun-25	Inadequate Monthly Reconciliation Procedures	During the audit we noted that: • Monthly reconciliations were not subject to independent review during the first half of the financial year. • Reconciliations were not performed consistently across all key balance sheet accounts. • Month-end checklist is not utilized.	We note that the Shire's Chief Financial Officer has independently reviewed reconciliations prepared by the finance team since January 2025 and has drafted a month-end checklist to be adopted. We recommend these controls are maintained moving forward. The month end checklist should be adopted and signed by both the preparer and reviewer at the end of each month.	Significant	DCEO	Jun-25	23-24	Unresolved	Test effectiveness of work done	As per the recommendation we have implemented appropriate controls since January 2025. The end of month check list will be formalised by 30 June 2025
		Lack of IT Policies, Strategic Plan, IT Risk Register	During our review of IT policies and procedures, we noted the following: •The Shire does not have an IT Strategy •The Shire has limited IT Policies and Procedures in place, and do not encompass General IT, Cyber Security and Change Management Policies. •The Shire does not maintain an IT Risk Register. •Shire staff have not received formal Cyber Security Training. •The Shire has two servers which are outdated and no longer	We note the Shire has begun a review of IT including drafting an IT Strategy, but we recommend as soon as possible the Shire completes a comprehensive IT review, adopts a formal IT strategy, adopts appropriate IT policies and procedures and conducts cyber security training for Shire employees. Additionally, we recommend the outdated servers are reviewed and upgrade considered. Furthermore	Significant	DCEO	Various		Unresolved	Test effectiveness of work done	Consultants have been engaged to complete tasks.
		Inadequate Purchasing Procedures	During our expenditure testing, we noted eight instances where the purchase order was dated after the invoice and two instances where a purchase order was not completed, out of a sample of twenty-five tested.	We recommend purchase orders be completed prior to incurring expenditure and in line with the Shire's delegation of authority	Significant	DCEO	Jun-25		Unresolved		The Shire has implemented a procedure where purchase orders (POs) will not be retrospectively raised if an invoice is received without a prior PO. In such cases, invoices must be approved by the relevant manager or supervisor to highlight non-compliance with procurement procedures. To reinforce accountability, any invoice received without a valid PO will be escalated to the CEO, and the responsible employee will be required to meet with the CEO to discuss potential disciplinary action. Additionally, a letter from the CEO has been prepared and distributed to all suppliers, advising that invoices will not be paid unless supported by a valid purchase order.
		Disaster Recovery Plan Not Tested	Management advised the Shire's Disaster Recovery Plan has not been tested	We recommend the Shire adopts a testing schedule for the Plan and ensure it is adhered to.	Significant	DCEO	Feb-26	23-24	Unresolved		
		Inadequate Journal Procedures	During review of journals for 2024/25 financial year, we noted that journals were not consistently subject to independent review	All journals are independently reviewed by Shire management	Moderate	DCEO	Dec-25	23-24	Completed		
		Inadequate Risk Management Procedures	We note the following: •The Shire's Risk Management Framework is outdated, referencing the superseded ISO 31000:2009 Risk Management. •The Risk Register has not been regularly reviewed and updated.	We note the Shire has begun a review of the Risk Management Framework and engaged a consultant. We recommend the following: •Updated framework is adopted and applied as soon as possible. •The Risk Register be reviewed as soon as possible and moving forward be reviewed at least quarterly, in line with best practice.	Moderate	DCEO	Dec-25	23-24	Unresolved		
		Recordkeeping and Receipt of Event Income	During testing we noted that the Shire held a "Long Table Lunch" event during the year. Originally Council was not able to facilitate the event, however a Councillor proceeded with organising the event themselves until a rescheduling opportunity arose for the Shire and the Shire resumed responsibility of the event. All receipts of income for this event were received into the individual Councillor's bank account. A reconciliation was	We recommend that all income/expenditure for the Shire managed events are received in to Shire nominated bank accounts.	Moderate	DCEO	Nov-25		Completed		The Shire recognises this was an unusual situation but has put appropriate controls in place to ensure future events are appropriately managed.
		Delays In Processing of Interim Rates	During testing we noted several instances in the financial year where interim rate notices had not been raised promptly following receipt of updated Landgate schedules	We recommend processes are put in place to ensure interim rates are raised promptly as required	Minor	DCEO	Nov-25		Completed		

Source and year (Internal audit/ the OAG / other external reviews)	Report date	Findings		Recommendation [record details]	Risk rating	Manager responsible	Original completion date	Prior Year Finding (originally raised)	Status	ACTION TAKEN	Management Comments on action taken
		Debtor Follow-up Procedures	From inquiries of management, we noted that rate debtors have not been followed up during the 2024/2025 financial year.	Aged debtors (sundry and rates) be reviewed monthly and appropriate measures (i.e. email, letter, phone call, legal action) are taken to ensure the Shire receives funds owed in a prompt manner	Moderate	DCEO	Nov-25		Unresolved		Debt Collections processes are being rebuilt with dedicated staff member al& external resources being allocated to thuis task
		Fuel Card Agreements	Our testing indicated employees are not required to sign Fuel Card Use Agreements.	We recommend employees with access to fuel cards be required to sign a Fuel Card Use Agreement, setting out the Shire's requirements in respect to use of Shire fuel cards	Minor	DCEO	Aug-25		Unresolved		
Final Audit 2024/2025 by AMD Chartered Accountants	30-Jun-25	Incorrect calculation of depreciation	<ul style="list-style-type: none"> Depreciation rates for two classes of assets did not tie to the policy adopted by Council, resulting in a material adjustment to the financial statements. There were numerous assets which were not being depreciated due to being incorrectly set up in the system, resulting in a material adjustment to the financial statements 	<p>We recommend the Shire:</p> <ul style="list-style-type: none"> It is ensured that the depreciation rates adopted by Council are flowed through the accounting system to the financial statements Controls are put in place to ensure all assets that are set up in the system are correctly allocated a depreciation rate. 	Significant	DCEO	31/10/2025		Completed	Management acknowledges the error in applying incorrect depreciation rates to the two assets classes and has corrected the 2024-25 depreciation calculation as per the auditors' recommendation. Depreciation rates for the following Infrastructure classes have been amended for the 2025-26 Financial year: <ul style="list-style-type: none"> Asset 61093 Footpaths: amended to 20%, 	After adjustments we done as part of audit, the auditors were happy that is not materially misstated in the financial statements.
		Inaccurate Long Service Leave Balances	During our review and testing of the long service leave reconciliation we noted for two employees that their balances were not accurate as at 30 June 2025, however the financial impact of this was trivial.	We recommend the Shire carries out a detailed review of long service leave balances to ensure that the report per the system is accurate.	Minor	DCEO			Unresolved		We have reviewed and agree with the adjustment, and we will conduct a review of LSL provision during the current year.
		Inaccurate Sick Leave Provision	During our review of the sick leave provision, it was noted that no adjustment had been posted in FY2025. Whilst the financial impact was trivial, the provision did not tie to the supporting report.	We recommend the Shire adopts procedures to ensure all balance sheet items are reviewed and update in line with supporting documentation at each financial year-end.	Minor	DCEO			Unresolved		The journal was actioned on 13th October 25 to adjust the provision. We will review procedures to ensure that all balance sheet items are properly reconciled with the appropriate documentation.

5.4	NON-COMPLIANCE REGISTER REPORT
Location:	N/A
Proponent:	N/A
Date of Report:	3 March 2026
Business Unit:	Governance & Strategy
Responsible Officer:	Thomas Gorman – Deputy Chief Executive Officer
Author:	Thomas Gorman – Deputy Chief Executive Officer
Disclosure of Interest:	Nil

ATTACHMENTS

- Non-Compliance Register (July 2025 to December 2025) (*confidential*)

PURPOSE OF THE REPORT

To highlight non-compliance and/or emerging trends. The Non-compliance register report includes but not limited to instances like insufficient quotes, retrospective purchase orders, inconsistencies between purchase orders and invoices or the omission of purchase orders for invoices.

BACKGROUND

Butler Settineri (Dry Kirkness) undertook the 2021/2022 Interim Audit on behalf of the OAG in May 2022 and "Inadequate Procurement Practices" was identified as one of 3 moderate risk findings during the audit.

COMMENTS

As a result of the above finding the "Non-Compliance Purchase Order Register" was established in August 2022. The register is used to track instances of non-compliance items providing name of supplier, date of EFT transfer, EFT number, the invoice amount, the date the purchase was order created, and reason why the instance occurred.

Since the creation of the register it has been noted that the Shire's current purchasing policy and procedure is in need of updating to include exemptions for instances where the issue of a purchase order is not possible, i.e. utility accounts, service provision items like media messaging services, postal services, Toll freight charges, etc. that greatly varies month to month, pending on usage.

The Shire's current procedure states that a "Shire Purchase Order must be used for all purchases except for purchases made by Credit Card or petty cash.

With the additional resources we will be increasing the scrutiny of transactions, initially through the lens of the Finance Department processes, but later through some independent review of specific P.O.s focusing on high risk transactions categories.

CONSULTATION

Nil

LEGAL AND STATUTORY REQUIREMENTS

Local Government Act 3.57

Local Government (Functions and General) Regulations – Regulation 11A

State Record Act 2000

Shire of Gnowangerup Code of Conduct

Shire of Gnowangerup Purchasing Policy

Shire of Gnowangerup Purchasing Procedure

The requirements that must be complied with by the Shire, including purchasing thresholds and processes, are prescribed within the Regulations, and associated purchasing procedures and policies.

POLICY IMPLICATIONS

Shire of Gnowangerup Purchasing Policy and Purchasing Procedure sets out the process and thresholds to be adhered to. Not following these processes reduces the likelihood the Shire will get value for money and increases the potential for misappropriation of funds.

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

As per Council Plan 2025-2035

Theme	Leadership and Governance
Strategy	4.2. An efficient and effective organisation, providing appropriate services to our community.

STRATEGIC RISK MANAGEMENT CONSIDERATIONS

This item has been evaluated against the current Council approved Risk Management Register.

Risk description	Not to note the Non-Compliance Register Report
Primary Strategic Risk Category	Adverse Regulatory Change
Primary Strategic Risk Category Description	<ul style="list-style-type: none"> • Investigation of Council for non-compliance • Litigation • Reputational damage
Consequence: (Insignificant, Minor, Moderate, Major, Catastrophic)	Minor
Likelihood: (Almost Certain, Likely, Possible, Unlikely, Rare)	Possible

IMPACT ON CAPACITY

Moderate: Updating & ensuring progress is made requires responsible, generally senior staff, to action items in a timely manner.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

The Non-Compliance Register was created to track and address instances of non-compliance to help ensure compliance with the Regulations and the Shire’s purchasing policy and procedure.

VOTING REQUIREMENTS

Simple Majority

COMMITTEE RESOLUTION

Moved: Cr R Miniter

Seconded: Cr P Callaghan

ARIC0326.04

That the Audit, Risk and Improvement Committee notes the Non-Compliance Register Report for the period (July 2025 to December 2025).

UNANIMOUSLY CARRIED 8/0

FOR: Renata Paliskis, Emily Onn, Cr K O’Keeffe, Cr R O’Meehan, Cr M Creagh, Cr R Kiddle, Cr P Callaghan, Cr R Miniter

AGAINST: Nil

5.5 NON-COMPLIANCE REPORT – GARDENING SERVICES TENDER

Location: N/A
Proponent: N/A
Date of Report: 3 March 2026
Business Unit: Infrastructure and Assets
Responsible Officer: Rick Miller
Author: Rick Miller
Disclosure of Interest: Nil

ATTACHMENTS

NIL

PURPOSE OF THE REPORT

The purpose is to highlight a breach of our procurement process where we continued to purchase gardening services from BGL Solutions after the contract ceased 30 June 2025. It's noted that the contract had no extension clause. This breached the shire procurement policy.

BACKGROUND

BG Solutions was contracted up to 30th June 2025 to provide gardening services to the shire. The contract ceased before a new procurement process was undertaken. There were services procured without due process from 1 July 2025 to 30 September 2025. This amounted \$60,307. These were procured solely by purchase order. The purchase orders were the following:

24374	31/07/2025	\$38,945
24379	31/07/2025	\$7,570
24395	04/08/2025	\$1,980
24421	12/08/2025	\$7,571
24440	15/08/2025	\$7,571
24496	03/09/2025	\$6,670

There was an informal RFQ undertaken for works required for the period 1 October 2025 to 31 December 2025 to the value of \$74826.75. This processed followed the shire purchasing policy.

A formal tender process was undertaken which resulted in the Garden Services being contracted from December 2025 for a 3 year period plus 2 one year options.

COMMENTS

The problem occurred as a result of poor contract management by the shire. The following should have occurred:

- The original contract included a monthly extension clause
- Regular contract reviews taken place to highlight upcoming threshold events, to ensure proper contract management.
- Staff shortages are addressed to ensure sufficient staff oversight
- Better understanding of the shire procurement processes

These have been rectified by the following actions:

- Developing more sophisticated contract templates to guide operational staff
- Additional contract management skills including Ciara Nalty's legal expertise
- Additional staff to manage the various shire contracts
- Additional procurement staff
- Additional procurement training for staff

CONSULTATION

Nil

LEGAL AND STATUTORY REQUIREMENTS

Local Government 1995 Act s3.57

Local Government (Functions and General) Regulations – Regulation 11A

State Record Act 2000

Shire of Gnowangerup Code of Conduct

Shire of Gnowangerup Purchasing Policy

Shire of Gnowangerup Purchasing Procedure

The requirements that must be complied with by the Shire, including purchasing thresholds and processes, are prescribed within the Regulations, and associated purchasing procedures and policies.

POLICY IMPLICATIONS

Shire of Gnowangerup Purchasing Policy and Purchasing Procedure sets out the process and thresholds to be adhered to. Not following these processes reduces the likelihood the Shire will get value for money and increases the potential for misappropriation of funds.

FINANCIAL IMPLICATIONS

We do not believe there was an adverse financial outcome, as the same contractor was retained through the whole process

STRATEGIC IMPLICATIONS

As per Council Plan 2025-2035

Theme	Leadership and Governance
Strategy	4.2. An efficient and effective organisation, providing appropriate services to our community.

STRATEGIC RISK MANAGEMENT CONSIDERATIONS

This item has been evaluated against the current Council approved Risk Management Register.

Risk description	Improper contract management
Primary Strategic Risk Category	Adverse Regulatory Change
Primary Strategic Risk Category Description	<ul style="list-style-type: none"> • Investigation of Council for non-compliance • Litigation • Reputational damage
Consequence: (Insignificant, Minor, Moderate, Major, Catastrophic)	Major
Likelihood: (Almost Certain, Likely, Possible, Unlikely, Rare)	Possible

IMPACT ON CAPACITY

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

VOTING REQUIREMENTS

Simple Majority

COMMITTEE RESOLUTION

Moved: Cr R Kiddle

Seconded: Cr P Callaghan

ARIC0326.05

That the Audit, Risk and Improvement Committee notes the Non Compliance Gardening Services Tender report

UNANIMOUSLY CARRIED 8/0

FOR: Renata Paliskis, Emily Onn, Cr K O'Keeffe, Cr R O'Meehan, Cr M Creagh, Cr R Kiddle, Cr P Callaghan, Cr R Minter

AGAINST: Nil

5.6 NON-COMPLIANCE REPORT – ACCOUNTING SERVICES

Location:	N/A
Proponent:	N/A
Date of Report:	3 March 2026
Business Unit:	Governance & Strategy
Responsible Officer:	Thomas Gorman – Deputy Chief Executive Officer
Author:	Thomas Gorman – Deputy Chief Executive Officer
Disclosure of Interest:	Nil

ATTACHMENTS

NIL

PURPOSE OF THE REPORT

The purpose is to raise a procurement failure for accounting and financial services from Moore Australia. The failure is that as the scope of the original engagement changes, the shire did not implement a procurement process that was reflective of that change in scope.

BACKGROUND

After the completion of the 2024 Financial year reporting requirements, there was an assessment done by management of the incumbent Account and Financial Services contractor, that showed the following areas of concern:

- Poor performance in meeting reporting deadlines
- Concern that the shire would find itself in breach of the Local Government Act 1995 through the contractor's non-performance
- Concern over dealing with a sole practitioner's ability to meet the requirements of our shire
- Dissatisfaction with contractor's response time to our queries

At this point the shire identified the need to have another firm support the shire through the Mid Year Budget Review and the Financial Budget processes for the FY 2026 year.

This short-term engagement was procured through an informal process based on an engagement scope of less than \$20,000, which only required two verbal quotes.

After the initial engagement it became necessary to engage further services from Moore Australia, as the previous contractor ceased providing his accounting services. The shire found itself in the middle of developing the new budget and preparing for the FY2025 financial year end; with limited staff capacity or oversight to enter into an appropriate procurement process that reflected this change of scope.

The Moore Australia engagement has rolled on from that period until there was a realisation in December 2025 that this formal procurement process had not been completed.

Starting in January 2026, there was an assessment done of the proper scope of the engagement for Accounting & Financial Services, and it became clear that these fees could be in excess of \$250,000. At this point we sought clarification from WALGA about the exact meaning of our procurement processes.

We were able to establish that we are able to procure this scale of services using a formal Request for Quote process and the relevant WALGA Preferred Supplier panel. This RFQ was sent to the suppliers on the WALGA panel 4th March 2026.

Until that Request for Quote process is complete the shire will continue to engage Moore Australia on the existing basis, to ensure we do not breach the Local Government Act 1995, Local Government Regulations 1996 and our own Council Plan.

We expect that the procurement process will be completed well before 30th June 2026

COMMENTS

Corrective actions we have taken are:

- Appointment of dedicated Procurement Officer to review and oversee the procurement processes
- Delegate the overall responsibility to raise the standard of shire procurement processes to the Deputy CEO
- Initiate the correct procurement process as outlined above
- Include this range of services on the register of contracts
- Implement a review trigger point 6 months before end of contract.

CONSULTATION

Nil

LEGAL AND STATUTORY REQUIREMENTS

Local Government Act 1995

Local Government (Functions and General) Regulations 1996

Shire of Gnowangerup Code of Conduct

Shire of Gnowangerup Purchasing Policy

Shire of Gnowangerup Purchasing Procedure

The requirements that must be complied with by the Shire, including purchasing thresholds and processes, are prescribed within the Regulations, and associated purchasing procedures and policies.

POLICY IMPLICATIONS

Shire of Gnowangerup Purchasing Policy and Purchasing Procedure sets out the process and thresholds to be adhered to

FINANCIAL IMPLICATIONS

Not following these processes reduces the likelihood the Shire will get value for money and increases the potential for misappropriation of funds.

STRATEGIC IMPLICATIONS

As per Council Plan 2025-2035

Theme	Leadership and Governance
Strategy	4.2.2 Ensure strong financial management through effective planning.

STRATEGIC RISK MANAGEMENT CONSIDERATIONS

This item has been evaluated against the current Council approved Risk Management Register.

Risk description	Improper contract management
Primary Strategic Risk Category	Adverse Regulatory Change
Primary Strategic Risk Category Description	<ul style="list-style-type: none"> • Investigation of Council for non-compliance • Litigation • Reputational damage
Consequence: (Insignificant, Minor, Moderate, Major, Catastrophic)	Major
Likelihood: (Almost Certain, Likely, Possible, Unlikely, Rare)	Possible

IMPACT ON CAPACITY

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

The shire Procurement Policy must be followed at all times to ensure that we demonstrate good governance in the procurement along with ensuring we demonstrate value for money outcomes were achieved.

VOTING REQUIREMENTS

Simple Majority

COMMITTEE RESOLUTION

Moved: Cr K O'Keeffe

Seconded: Cr M Creagh

ARIC0326.06

That the Audit, Risk and Improvement Committee notes the Non Compliance Accounting Services report

UNANIMOUSLY CARRIED 8/0

FOR: Renata Paliskis, Emily Onn, Cr K O'Keeffe, Cr R O'Meehan, Cr M Creagh, Cr R Kiddle, Cr P Callaghan, Cr R Miniter

AGAINST: Nil

PROCEDURAL MOTION

Moved: Cr R O'Meehan

Seconded: Cr C O'Keeffe

ARIC0326.07

That the Committee:

Closes the meeting to members of the public to consider Items 5.2 and 5.7 in accordance with Section 5.23(4)(e) of the Local Government Act 1995, as the items contain information which would be likely to endanger the security (including cyber-security) of any of the local government's property or operations;

UNANIMOUSLY CARRIED 8/0

FOR: Renata Paliskis, Emily Onn, Cr K O'Keeffe, Cr R O'Meehan, Cr M Creagh, Cr R Kiddle, Cr P Callaghan, Cr R Minter

AGAINST: Nil

5.2	REVIEW OF FINANCIAL MANAGEMENT, RISK MANAGEMENT, LEGISLATIVE COMPLIANCE AND INTERNAL CONTROLS REPORT
Location:	N/A
Proponent:	N/A
Date of Report:	3 March 2026
Business Unit:	Governance & Strategy
Responsible Officer:	Thomas Gorman – Deputy Chief Executive Officer
Author:	Thomas Gorman – Deputy Chief Executive Officer
Disclosure of Interest:	Nil

ATTACHMENTS

- Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls Report (Local Government (Audit) Regulations 1996 Reg 17 & Local Government (Financial Management) Regulations 1996 reg 5(2)(c) (**confidential**))

PURPOSE OF THE REPORT

For the Audit, Risk and Improvement Committee to receive and note the 2024 Financial Management, Risk Management, Legislative Compliance and Internal Controls Report. This report has come before the ARIC in the meeting in August 2025, however it is being represented to bring the matter in front of the new members of this committee

BACKGROUND

Regulation 17(1) of the (Local Government (Audit) Regulations requires the Chief Executive Officer (CEO) of a local government to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:

- (a) Risk management;
- (b) Internal control; and
- (c) Legislative compliance.

Local Government (Financial Management) Regulations 1996 reg 5(2)(c) requires the CEO to examine the appropriateness and effectiveness of the financial management systems and procedures.

COMMENTS

The previous Financial Management Review Local Government (Financial Management) Regulations 1996 reg 5(2)(c) was completed in 2021 (received by the Audit, Risk and Improvement Committee in 2022) on Shire's behalf by Avant Edge Consulting.

Tim Partridge of AMD carried out the previous review required by Local Government (Audit) Regulations 1996 Reg 17 in December 2021 (received by the Audit, Risk and Improvement Committee in 2023).

The Shire engaged Moore Australia to undertake these two reviews simultaneously, and the result are contained in a single report

No progress has been made on these findings, however with the appointment of a Project Manager for the DECO, we will now develop a project plan and timeline to work through the issues these reviews have raised.

CONSULTATION

Moore Australia

LEGAL AND STATUTORY REQUIREMENTS

Local Government (Audit) Regulations 1996 Reg 17: CEO to review certain systems and procedures

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
 - (a) risk management; and
 - (b) internal control; and
 - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in 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, Risk and Improvement Committee the results of that review.

Local Government (Financial Management) Regulations 1996 reg 5(2)(c): .CEO's duties as to financial management

- (2) The CEO is to —
- (a) ensure that the resources of the local government are effectively and efficiently managed; and
 - (b) assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and
 - (c) 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 3 financial years) and report to the local government the results of those reviews.

POLICY IMPLICATIONS

Policy 2.13 Internal Control Policy

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

As per Council Plan 2025-2035

Theme	Leadership and Governance
Strategy	4.2. An efficient and effective organisation, providing appropriate services to our community.

STRATEGIC RISK MANAGEMENT CONSIDERATIONS

This item has been evaluated against the current Council approved Risk Management Register.

Risk description	Not to note the Reg 5 & 17 Review Report and not to recommend the endorsement by Council
Primary Strategic Risk Category	Adverse Regulatory Change
Primary Strategic Risk Category Description	<ul style="list-style-type: none"> • Investigation of Council for non-compliance • Litigation • Reputational damage
Consequence: (Insignificant, Minor, Moderate, Major, Catastrophic)	Moderate
Likelihood: (Almost Certain, Likely, Possible, Unlikely, Rare)	Possible

IMPACT ON CAPACITY

Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

The recommendation has been made to ensure compliance with the Regulations.

VOTING REQUIREMENTS

Simple Majority

COMMITTEE RESOLUTION

Moved: Cr P Callaghan

Seconded: Cr R Kiddle

ARIC0326.08

That the Audit, Risk and Improvement Committee notes the results of the Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls Report (Local Government (Audit) Regulations 1996 Reg 17 & Local Government (Financial Management) Regulations 1996 reg 5(2)(c)).

UNANIMOUSLY CARRIED 8/0

FOR: Renata Paliskis, Emily Onn, Cr K O'Keeffe, Cr R O'Meehan, Cr M Creagh, Cr R Kiddle, Cr P Callaghan, Cr R Minter

AGAINST: Nil

*The Committee agreed that a **Progress Action Report** on the outcomes of the review of Financial Management, Risk Management, Legislative Compliance and Internal Controls (in accordance with Regulation 17 of the Local Government (Audit) Regulations 1996 and regulation 5(2)(c) of the Local Government (Financial Management) Regulations 1996) would be included as a **standing item** on the Audit, Risk and Improvement Committee agenda.*

5.7	CYBERSECURITY IMPACT ACTIONS FOR SHIRE OF GNOWANGERUP
Location:	N/A
Proponent:	N/A
Date of Report:	3 March 2026
Business Unit:	Governance & Strategy
Responsible Officer:	Thomas Gorman – Deputy Chief Executive Officer
Author:	Thomas Gorman – Deputy Chief Executive Officer
Disclosure of Interest:	Nil

ATTACHMENTS

- Attachment 1: LGIS Cyber Uplift Program (*confidential*)
- Attachment 2: JLT Public Sector Top Cyber Security Controls Review 2025 (*confidential*)

PURPOSE OF THE REPORT

To recognise the risk to the shire of not adequately meeting the challenges from the external technology based threats. We will refer to this going forward as meeting the demands from Cyber Security

BACKGROUND

There have significant levels of cyber related crimes perpetrated or sponsored by stated based, crime or terrorist groups, amongst others. This can be seen where even large organisations internationally and in Australia get caught with a range of poor technology outcomes, ie data breaches to the dark web and ransomware attacks to name just two.

One Australian sector targeted is the whole of government, including local government.

At an Australian Government level, this risk was identified as part of its overall national security framework. From this came the Australian Cyber Security Centre which over time developed “The Essential 8” minimum baseline for cyber security for all organisations. This was done as one of the strategies to safeguard the Australian community from the impacts of cyber attacks.

The Essential 8 baseline has been accepted by the government sector as the framework it needs to employ to properly meet the cyber threat. Certain WA Local Governments are now being audited to see how they are meeting this requirement. The Office of Auditor General is leading this review.

It is clear from inside and outside of the government sector that cyber security represents a significant risk.

COMMENTS

In August 2025 our shire has received the Cyber Uplift Program from our insurers LGIS. This was pitched to the sector because the LGIS board recognised the evolving cyber threat landscape; and it recognised it needed to help local governments meet this risk.

We also received the JLT Public Sector Top Cyber Security Controls Review in September 2025; that flowed from the Cyber Uplift Program.

A review of the results showed that while our shire definitely had areas to improve it compared well the sector.

Shortly after receiving the JLT report, the shire started an assessment of our current IT environment and how we are meeting the cyber security threat. To that point we are significantly upgrading our managed IT services which we believe will ensure we are compliant with the Essential 8 standard.

CONSULTATION

LGIS and JLT

LEGAL AND STATUTORY REQUIREMENTS

Local Government Act 1995

Local Government (Functions and General) Regulations 1996

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

The additional services provided by the upgraded Managed IT Service represents an additional \$30,000 to \$50,000 per year cost to the shire

STRATEGIC IMPLICATIONS

As per Council Plan 2025-2035

Theme	Leadership and Governance
Strategy	4.2 An efficient and effective organisation providing appropriate services to our community

STRATEGIC RISK MANAGEMENT CONSIDERATIONS

This item has been evaluated against the current Council approved Risk Management Register.

Risk description	Data breaches, data loss and ransom costs
Primary Strategic Risk Category	Failure of IT Systems and Infrastructure
Primary Strategic Risk Category Description	Data corruption Stolen Data Data subject to Ransom Threat
Consequence: (Insignificant, Minor, Moderate, Major, Catastrophic)	Catastrophic
Likelihood: (Almost Certain, Likely, Possible, Unlikely, Rare)	Possible

IMPACT ON CAPACITY

The impacts are catastrophic if the shire is impacted by a cyber attack. Ideally with the correct processes in place, the downtime is limited as our back up processes are implemented.

CONCLUSION

The shire needs to take all practical steps to ensure that it is not adversely impacted by a cyber attack. There are both operational and legislative consequences if it fails to do so.

VOTING REQUIREMENTS

Simple majority

COMMITTEE RESOLUTION

Moved: Cr P Callaghan

Seconded: Cr K O'Keeffe

ARIC0326.09

That the Audit, Risk and Improvement Committee notes Cybersecurity Impact Actions for Shire of Gnowangerup report.

UNANIMOUSLY CARRIED 8/0

FOR: Renata Paliskis, Emily Onn, Cr K O'Keeffe, Cr R O'Meehan, Cr M Creagh, Cr R Kiddle, Cr P Callaghan, Cr R Miniter

AGAINST: Nil

*The Committee agreed that a **Progress Action Report** on the outcomes of the **Cybersecurity Impact Actions for Shire of Gnowangerup report** would be included as a **standing item** on the Audit, Risk and Improvement Committee agenda.*

PROCEDURAL MOTION

Moved: Cr K O'Keeffe

Seconded: Cr R O'Meehan

ARIC0326.10

That the Committee:

Reopens the meeting to members of the public.

UNANIMOUSLY CARRIED 8/0

FOR: Renata Paliskis, Emily Onn, Cr K O'Keeffe, Cr R O'Meehan, Cr M Creagh, Cr R Kiddle, Cr P Callaghan, Cr R Miniter

AGAINST: Nil

5.8	WORKPLACE HEALTH & SAFETY ACTION PLAN
Location:	N/A
Proponent:	N/A
Date of Report:	3 March 2026
Business Unit:	Governance & Strategy
Responsible Officer:	Thomas Gorman – Deputy Chief Executive Officer
Author:	Thomas Gorman – Deputy Chief Executive Officer
Disclosure of Interest:	Nil

ATTACHMENTS

- 3 Steps to Safety Assessment Report and WHS Action Plan

PURPOSE OF THE REPORT

For Council's Audit, Risk and Improvement Committee to receive and note the shire WHS action plan that was a document to drive improvement after a LGIS review in November 2025.

BACKGROUND

As part of a regular three year review process our insurers (LGIS) visited the shire and performed a desktop audit of our Workplace Health & Safety processes and systems.

The shire had decided to bring in house the management of the WHS processes after identifying that the external contractor had not been performing the work to a satisfactory level.

COMMENTS

The shire welcomes the visit by LGIS as it helped us identify exactly what state our systems were in and what improvements are required. Unfortunately, the review showed significant shortfall in our systems.

The report has become the foundation document for the work for the newly appointed WHS Coordinator. The action plan that is attached shows the initial way forward as we work through the areas of improvement.

The coordinator is now working through the points raised and will provide a progress on the improvement steps we are taking at the next ARIC meeting.

During this time, there are significant resources being applied at addressing the areas to ensure the WHS environment fully meets the next annual review.

The work has been done has covered:

- Updating information within the WHS system (Skytrust)
- Additional staff training
- Moving manual systems to automated
- Overall process and system improvements

CONSULTATION

Nil

LEGAL AND STATUTORY REQUIREMENTS

Local Government Act 1995

Local Government Regulations (Audit) 1996

Local Government (Functions and General) Regulations 1996

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

As per Council Plan 2025-2035

Theme	Leadership and Governance
Strategy	4.2.3 Provide a safe and positive workplace, supporting development and growth

STRATEGIC RISK MANAGEMENT CONSIDERATIONS

This item has been evaluated against the current Council approved Risk Management Register.

Risk description	Not to note Workplace Health & Safety Action Plan
Primary Strategic Risk Category	Adverse Regulatory Change
Primary Strategic Risk Category Description	<ul style="list-style-type: none"> • Investigation of Council for non-compliance • Litigation • Reputational damage
Consequence: (Insignificant, Minor, Moderate, Major, Catastrophic)	Moderate
Likelihood: (Almost Certain, Likely, Possible, Unlikely, Rare)	Possible

IMPACT ON CAPACITY

Moderate: Updating & ensuring progress is made requires responsible, generally senior staff, to action items in a timely manner.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS

Nil

CONCLUSION

The Audit Findings Register is a beneficial tool to assist the Audit, Risk and Improvement Committee meet their oversight obligations.

VOTING REQUIREMENTS

Simple Majority

COMMITTEE RESOLUTION

Moved: Cr R O'Meehan

Seconded: Emily Onn

ARIC0326.11

That the Audit, Risk and Improvement Committee notes the Workplace Health & Safety Action Plan.

UNANIMOUSLY CARRIED 8/0

FOR: Renata Paliskis, Emily Onn, Cr K O'Keeffe, Cr R O'Meehan, Cr M Creagh, Cr R Kiddle, Cr P Callaghan, Cr R Minitier

AGAINST: Nil

WHS Action Plan – LGIS Step 1 Assessment Response

1. Executive Summary

This Work Health and Safety (WHS) Action Plan has been updated to fully align with every element of the LGIS 3 Steps to Safety – Step One Assessment (November 2025).

The Plan responds to all LGIS findings assessed as Insufficient or Ad hoc and provides a structured, auditable pathway to lift the Shire of Gnowangerup toward a very high level of WHS compliance.

The Plan is designed to work in conjunction with the created WHS Action Tracker (Excel), enabling clear accountability, progress monitoring, and evidence-based reporting to Executive Leadership, Council and LGIS.

2. Governance and Accountability Framework

The Chief Executive Officer retains ultimate accountability for WHS. Operational responsibility for implementation of this Action Plan rests with the Safety & Emergency Coordinator (SEC), supported by Managers, Supervisors, the WHS Committee and workers.

WHS performance will be monitored through monthly reporting, quarterly WHS Committee reviews and annual LGIS progress reviews (if available).

3. RACI Framework

Responsible: SEC, Managers, Supervisors

Accountable: Chief Executive Officer and Executive Leadership Team

Consulted: Workers, Health and Safety Representatives, WHS Committee, Bushfire Volunteers

Informed: All staff, contractors, volunteers and Council

4. Detailed WHS Action Plan (Aligned to LGIS Elements)

LGIS Section & Element	Finding	Required Action	Responsibility	Priority	Timeframe	Evidence
Section 1.2 WHS Policy Communication	Insufficient	Display WHS Policy at all Shire sites and include in worker, contractor, visitor and volunteer inductions	SEC	High	1 month	Displayed policy, induction records
Section 1.3 Legislative Monitoring	Ad hoc	Establish formal WHS legislative and standards monitoring process	SEC	High	1 month	Register of updates, subscriptions
Section 1.4 WHS Accountability	Insufficient	Embed WHS responsibilities and KPIs into Position Descriptions and Performance Reviews	HR / Executive	High	3 months	Updated PDs, performance templates
Section 1.5 WHS Objectives	Insufficient	Develop measurable WHS objectives and job development plans	Executive / WHS	High	2 months	WHS strategy, objectives
Section 1.8 Recommendation Close-out	Insufficient	Implement WHS recommendation tracking and close-out system	SEC	High	Immediate	Action register
Section 2.1 WHS Planning	Insufficient	Develop documented WHS Management Strategy aligned to LGIS	SEC	High	2 months	Approved WHS strategy
Section 2.2 WHS KPIs	Ad hoc	Develop role-specific WHS objectives and performance indicators	Managers / WHS	High	2 months	KPI framework
Section 2.4 Visitor Management	Insufficient	Implement standardised visitor induction	Admin / WHS	High	1 month	Visitor logs, induction records

LGIS Section & Element	Finding	Required Action	Responsibility	Priority	Timeframe	Evidence
		and sign-in/out procedures				
Section 2.5 Contractor Management	Insufficient	Standardise contractor induction, monitoring and job observation processes	WHS / Managers	High	2 months	Contractor checklists
Section 2.6 Emergency Preparedness	Insufficient	Implement emergency drills schedule and equipment maintenance program	WHS / Facilities	High	1 month	Drill records, maintenance logs
Sections 2.7-2.8 Document Control	Insufficient	Review and update all WHS documents to current legislation using Skytrust	SEC	High	3 months	Updated procedures
Section 3.2 Consultation Awareness	Insufficient	Update WHS Induction Booklet to include consultation arrangements	SEC	Medium	1 month	Updated induction booklet
Section 3.3 Consistent Consultation	Insufficient	Implement standardised consultation process across all departments	Managers / WHS	Medium	2 months	Consultation records
Section 3.6 Information Exchange	Insufficient	Update MSDS registers and establish contractor information exchange process	WHS / Depot	High	Immediate	MSDS registers
Section 3.7 Review of Consultation	Insufficient	Conduct annual review of consultation and reporting effectiveness	WHS Committee	Medium	Annual	Review reports
Section 4.1 Risk Awareness	Insufficient	Deliver targeted hazard identification and risk management training	SEC	High	2 months	Training records

LGIS Section & Element	Finding	Required Action	Responsibility	Priority	Timeframe	Evidence
Section 4.2 Hazard Reporting	Ad hoc	Resolve Skytrust access issues and implement interim reporting system	WHS / IT	Immediate	Immediate	Access logs
Section 4.3 Work Activity Analysis	Ad hoc	Implement worker-led SWMS and work activity analysis reviews	Supervisors	High	3 months	Reviewed SWMS
Section 4.4 Risk Assessments	Insufficient	Conduct formal risk assessments for all hazards and workplace changes	Managers / WHS	High	Ongoing	Risk registers
Section 4.5 Hierarchy of Controls	Insufficient	Provide hierarchy of controls training and embed into procedures	SEC	High	2 months	Training records
Section 4.6 Control Effectiveness	Insufficient	Implement formal review of risk control effectiveness	SEC	Medium	6 months	Review reports
Section 4.7 Incident Investigation	Insufficient	Deliver incident reporting and investigation training	SEC	High	2 months	Investigation reports
Section 5.1 Induction & Refresher	Insufficient	Standardise induction and refresher training for all workers, contractors and volunteers	WHS / HR	High	Immediate	Induction records
Section 5.2 WHS Leadership	Ad hoc	Deliver WHS leadership training for managers and supervisors	SEC	High	3 months	Training attendance
Section 5.3 Training Needs	Insufficient	Develop and maintain WHS Training Needs Analysis	SEC	Medium	3 months	TNA register
Section 5.6 Training Evaluation	Insufficient	Implement formal training evaluation and review process	SEC	Medium	6 months	Evaluation forms

LGIS Section & Element	Finding	Required Action	Responsibility	Priority	Timeframe	Evidence
Section 5.7 Supervision Competency	Insufficient	Define WHS competency requirements for supervisors	Executive / WHS	High	3 months	Competency framework
Section 6.1 Volunteer Induction	Insufficient	Implement Shire-specific volunteer WHS induction program	WHS / CESM	High	2 months	Volunteer induction records

5. Monitoring, Review and Continuous Improvement

Progress against this Action Plan will be monitored through the created Excel WHS Action Tracker spreadsheet. Monthly progress reports will be provided to the Executive Leadership Team, with quarterly reviews undertaken by the WHS Committee. Continuous improvement actions will be identified and incorporated into future planning cycles.

6. 12-Month WHS Roadmap

This 12-month WHS Roadmap provides a staged implementation pathway to support the delivery of the WHS Action Plan and to progressively lift the Shire of Gnowangerup to a high to very high level of WHS compliance under the LGIS 3 Steps to Safety Program.

Months 1–3 | Stabilise & Govern

- Confirm WHS governance, roles and officer due diligence responsibilities
- Communicate WHS Policy across all sites, contractors and volunteers
- Implement the WHS Action Tracker and Executive Dashboard
- Resolve Skytrust access issues and implement interim hazard reporting processes
- Rectify immediate physical hazards at the Works Depot
- Standardise WHS inductions for workers, contractors and volunteers

Months 4–6 | Build & Embed

- Finalise and endorse the WHS Management Strategy and measurable objectives
- Embed WHS responsibilities into Position Descriptions and performance review processes
- Deliver WHS leadership training for managers and supervisors
- Implement structured risk assessments and worker-led SWMS reviews
- Introduce emergency drills and emergency equipment maintenance schedules
- Develop and commence implementation of a WHS Training Needs Analysis (TNA)

Months 7–9 | Strengthen & Assure

- Review effectiveness of hazard controls and risk treatments
- Deliver incident reporting and investigation training
- Evaluate WHS training effectiveness and supervision capability
- Review consultation and communication arrangements
- Audit contractor compliance and visitor management processes
- Progress the majority of Action Plan items to completion

Months 10–12 | Review & Improve

- Conduct an internal WHS system review against LGIS assessment criteria
- Close out outstanding LGIS actions and compile supporting evidence
- Prepare for LGIS Step 2 engagement or re-verification
- Review WHS performance data and trends
- Set WHS objectives and priorities for the following 12-month period
- Report WHS outcomes to Executive Leadership Team and Council

Roadmap Success Indicators

By the end of the 12-month period, the Shire should demonstrate:

- Clear WHS governance and officer due diligence
- Consistent hazard identification and risk management practices
- Strong training, supervision and consultation systems
- A high to very high LGIS compliance rating
- A sustainable and mature WHS management system

Unconfirmed



3 Steps to Safety

Step One – Assessment Report

Shire of Gnowangerup

November 2025

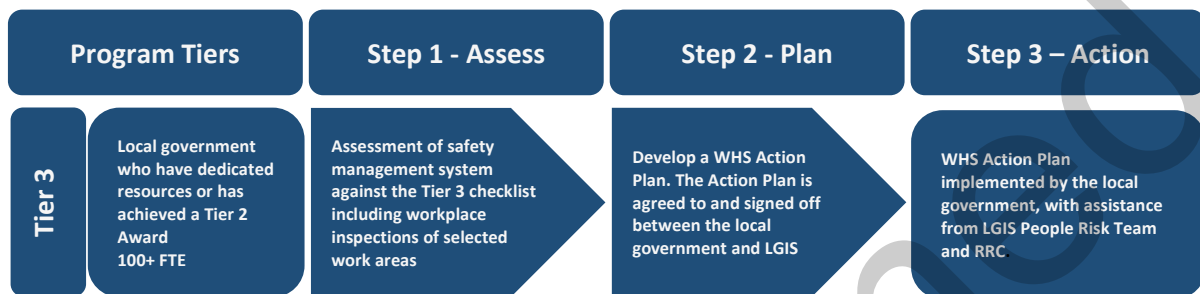
CONTENTS

INTRODUCTION	1
Program Summary	1
Verification Report	1
Verification Details	1
Assessment Methodology	1
Limitations	2
Disclaimer	2
Overall Scores	3
ASSESSMENT FINDINGS	4
1.0 Management Commitment	4
2.0 Planning	7
3.0 Consultation and Reporting	11
4.0 Hazard Management	14
5.0 Training and Supervision	17
6.0 Volunteer Management	19
ISSUES IDENTIFIED DURING THE ASSESSMENT NOT RECORDED ELSEWHERE	22
NEXT STEPS	23
ACKNOWLEDGEMENTS	23
CONTACTS	24

INTRODUCTION

The 3 Steps to Safety program was established to recognise and meet the needs of local government with the aim of driving safety performance and minimising claim exposure. This report is the outcome of Step 1 of that program. The next steps are included at the end of this report.

Program Summary



Verification Report

The purpose of this report is to provide the Shire of Gnowangerup with a summary of the assessment findings.

Verification Details

The verification activity was undertaken by Philip Zikpi (WHS Consultant). The Shire of Gnowangerup was represented by Ciara Nalty, (Human Resources and Contracts Manager) for the duration of the verification activity. This report has been peer reviewed by Emma Horsefield (People Risk Manager) at LGIS.

The assessment was undertaken on Tuesday (4th November 2025) & Wednesday (5th November 2025) The sites visited as part of the activity were Administration Building and the Works Depot.

Assessment Methodology

All evidence for this assessment was examined and verified on site through examination of documents, workplace inspections and interviews with representatives from the Shire of Gnowangerup. The assessment was undertaken based upon the LGIS scoring methodology below.

Finding	Score	Definition
Exemplary	4	The organisation has sustained performance requirements for the criteria. Strong supporting documentation and other applicable evidence is in place and is updated regularly. Consistent application for the criteria is in place over a considerable period, typically a minimum of 4 years. Some minor problems may occur from time to time
Satisfactory	3	The organisation satisfies the requirements of the criterion and has not gone significantly beyond it. Evaluation and review processes as part of continuous improvement is evident with strong supporting documentation
Insufficient	2	Documentation exists however there are gaps in the WHS Management System documentation, their implementation and/or the evidence that shows the criteria hasn't quite been met
Ad Hoc	1	The organisation has not met the criteria due to evidence being sporadic and ad hoc. Early drafts of documentation and/or processes are available
Unsatisfactory	0	The organisation cannot provide any evidence to support compliance with the criteria. No awareness or intention to implement

Limitations

This assessment was undertaken as part of the LGIS *3 Steps to Safety* program. It should not be relied upon for any assurance of legislative compliance. This assessment does not protect against enforcement action against the Shire of Gnowangerup by any regulatory authority.

Disclaimer

This verification report was produced in good faith by LGIS to assist local governments and reflects information that was considered accurate and reliable at the time of its publication. The employees of LGIS shall accept no liability or responsibility for any statutory enforcement or legal action against any local governments for reliance or use of the information contained herein.

Overall Scores

Category	Member Score	Available Score	Section Achievement
Management Commitment	19	32	59%
Planning	19	36	53%
Consultation and Reporting	17	28	61%
Hazard Management	15	32	47%
Training and Supervision	16	28	54%
Volunteer Management	26	36	72%
Overall Score	112	192	58%

Unconfirmed

ASSESSMENT FINDINGS

1.0 Management Commitment

Element 1.1 **There is a documented health and safety policy that is reviewed on a regular basis, which includes a commitment to prevent ill health or injuries and promote wellbeing at work.**

Findings: Satisfactory

Observation:

- The Shire has a Work Health and Safety (WHS) Policy that demonstrates its dedication to upholding high health and safety standards and fostering a culture of well-being in the workplace.
- The policy is approved by the Council and confirms the Shire's commitment to prevent ill health or injuries and promote wellbeing at work.
- Records of prior endorsements are maintained to demonstrate that the policy undergoes regular reviews to ensure its continued relevance and effectiveness.

Element 1.2 **The health and safety policy is available to workers, suppliers, contractors, customers and visitors to the workplace.**

Findings: Insufficient

Observation:

- The health and safety policy is made available to workers through the Employee Manual, but not to contractors, volunteers and visitors in the workplace.
- A signed copy of the policy is not displayed in the Shire's office, works depot or other Shire buildings.

Recommendations:

- The Shire should implement a process to communicate the health and safety policy to all stakeholders, including contractors, volunteers, and visitors.
- The policy should be clearly visible at all Shire staffed sites and included as a key component of the induction program for all workers, including contractors, visitors and volunteers.

Element 1.3

The organisation identifies and monitors health and safety legislation, standards, codes of practice, guidance notes, agreements and guidelines relevant to its operations.

Findings: Ad hoc

Observation:

- The Shire could not provide sustainable evidence that processes are in place to obtain health, safety and wellness information relevant to its operations.

Recommendations:

- The Shire should establish and implement formal processes to systematically collect and review health, safety and wellness information relevant to its operations.
- Updates on health and safety legislation and industry standards can be obtained through multiple channels, including subscribing to WorkSafe WA newsletters, LGIRS alerts, LGIS communications and relevant industry memberships.

Element 1.4

There is a process that makes all parties aware of and accountable for identifying, monitoring and managing their health and safety risks and responsibilities.

Findings: Insufficient

Observation:

- Although the Shire's position descriptions and induction outline health and safety duties, it lacks a formal process to consistently hold all parties accountable for managing related risks and responsibilities.
- Adherence to health and safety is not incorporated as assessment criteria in the current Performance Review Process.

Recommendations:

- The Shire should establish a structured process that ensures all parties are informed of their health and safety responsibilities and held accountable for safety risk management activities.
- The Shire should also establish a performance management framework that clearly integrate adherence to health and safety as a mandatory assessment criterion within the Performance Review Process.

Element 1.5

The organisation coordinates safety management activities.

Findings: Insufficient

Observation:

- The Shire is in the process of appointing a safety coordinator to oversee day-to-day health and safety activities, having previously engaged a WHS advisor for support, while the CEO retains ultimate authority and accountability for ensuring the Executive Management team's commitment to safety.
- The Shire lacks formal job development planning and measurable health and safety performance objectives.

Recommendations:

- The Shire should implement formal job development plans and establish clear, measurable health and safety performance objectives.

Element 1.6

Financial and physical resources are provided for all aspects of health and safety risk management.

Findings: Exemplary

Observation:

- The Shire provides financial and physical resources to allow the implementation of decisions regarding health and safety management.
- The budget allocates funds for a variety of initiatives, such as health and safety projects, training for safety representatives, subscriptions, personal protective equipment (PPE), the purchase of machinery and equipment to minimise hazards as well as health and wellness programs
- The budget is reviewed annually, or more frequently as needed, with operational aspects regularly discussed during WHS Committee and Executive Leadership meetings.

Element 1.7

All workers have sufficient time to complete health and safety related tasks.

Findings: Satisfactory

Observation:

- Supervisors, managers, workers, health and safety representatives confirm that sufficient time is allocated for the completion of health and safety-related tasks.
- This was demonstrated through completed pre-start checks, participation in toolbox meetings, workplace inspection reports, WHS committee meeting minutes and employee attendance at training sessions, including those for HSRs.

Element 1.8

Recommendations to improve health and safety risk management are acted upon.

Findings: Insufficient

Observation:

- Although most recommendations to improve health and safety risk management were implemented within a reasonable timeframe, there is evidence that this practice is not consistently maintained.

Recommendations:

- The Shire should promptly address all health and safety risk management recommendations to maintain a safe and healthy workplace.

2.0 Planning

Element 2.1

The organisations approach to health and safety management is planned and reviewed in consultation with senior management at least annually.

Findings: Insufficient

Observation:

- While the Shire has implemented initiatives such as engaging a third-party safety consultant and allocating both physical and financial resources to manage its health and safety responsibilities, it lacks a clear and documented strategy for implementing its health and safety policy statement.

Recommendations:

- The Shire should develop and maintain comprehensive health and safety planning documents to ensure effective management and continuity of the Shire's safety responsibilities alongside existing initiatives.

Element 2.2

Specific health and safety objectives and measurable targets have been established for relevant functions and levels within the organisation.

Findings: Ad hoc

Observation:

- Currently, specific health and safety objectives and measurable targets have not been defined for the various functions and levels within the Shire.
- While some positions within the Shire are accompanied by a documented health and safety statement, these statements remain broad and uniform across roles ranging from Records and research officer to Deputy Chief Executive Officer.
- Certain position descriptions, like the Community and Economic Development Manager, do not include any WHS statements.

Recommendations:

- The Shire should develop tailored health and safety objectives and measurable targets for each function and level within the Shire, ensuring that they reflect the specific responsibilities and risks associated with each role.
- It should establish a process to collect safety performance data, incorporating both leading indicators (e.g., toolbox meetings, safety investigations) and lagging indicators (e.g., workplace incidents) to drive continuous improvement.

Element 2.3

Arrangements are in place for people with special needs.

Findings: Satisfactory

Observation:

- The Shire has developed and implemented a Disability Access and Inclusion Plan to comply with statutory requirements and effectively evaluate task suitability for workers with special needs.
- Successful candidates must complete a medical assessment prior to employment with the Shire to evaluate their fitness for the role and identify any special needs or health challenges, enabling appropriate task adjustments, supervision and resource allocation.

- Following employment, any identified or disclosed special needs are addressed through a personalised and tailored approach.

Element 2.4

Arrangements for visitors to the workplace are in place.

Findings: Insufficient

Observation:

- While a sign-in book is available at the administration building reception, there are no established guidelines for managing visitors once they have entered the premises.

Recommendations:

- The Shire should implement a sign-in and sign-out procedure across all Shire-Staffed facilities will ensure consistent visitor tracking and enhance site safety and security.
- Visitors should receive an onsite induction covering identified and potential hazards, welfare facilities and, where applicable, be issued visitor identification tags and closely monitored at all times.

Element 2.5

Policies and procedures for engaging and managing contractors are in place.

Findings: Insufficient

Observation:

- The Shire has a Contractor WHS Management Handbook & WHS Management of Contractors Policy in place for engaging and managing contractors.
- Prior to selecting a contractor, potential applicants must submit relevant health and safety documents that commensurate with the level of risk (low, medium & high) associated with the contract work.
- Contractors are required to complete a health and safety induction before commencing work; however, this process is not consistently applied across all contractor types.
- There are no documented job observation records or checklists to track whether contractors are meeting the Shire's agreed requirements.

Recommendations:

- The Shire should implement a standardised procedure to ensure all contractor types complete the mandatory health and safety induction before commencing work.
- The Shire should implement a standardised job observation record and contractor monitoring checklist to ensure consistent assessment of contractors' adherence to the agreed Shire's requirements.

Element 2.6

Potential emergency situations have been identified and relevant emergency procedures are in place.

Findings: Insufficient

Observation:

- The Shire has developed an Operational Emergency Management Plan to identify potential emergency situations and ensure that relevant emergency procedures are in place.
- Designated and trained First Aid Officers and Fire Wardens are readily available to respond to any emergency situation.
- Evacuation diagrams are established and emergency equipment is accessible, but the absence of regular drills and proper maintenance compromise both worker readiness and equipment performance.

Recommendations:

- The Shire should establish and enforce a schedule for regular emergency drills and routine maintenance of emergency equipment to ensure worker preparedness and operational reliability.

Element 2.7

The organisation's procedures, work instructions and work practices reflect current health and safety legislation, standards, codes of practice, guidance materials, agreements and guidelines.

Findings: Insufficient

Observation:

- The Shire has processes to ensure that its procedures, work instructions, and work practices align with current health and safety legislation, standards, codes of practice, guidance materials, agreements and guidelines.
- The Shire has implemented Skytrust to support adherence to current legislation, but its utilisation remains limited, resulting in some documents still referencing outdated legislations.

Recommendations:

- The Shire should promote broad adoption of Skytrust, provide awareness training and review all documents to ensure compliance with current legislation.

Element 2.8

All workers have access to current legislation, standards, codes of practice, guidance notes, agreements and guidelines that impact upon their activities.

Findings: Insufficient

Observation:

- While the Shire has provided documentation demonstrating that most procedures and work instructions align with current legislation, it continues to use other documents that reference outdated legislation.
- Safe work method statements are not consistently developed in consultation with all relevant personnel for high-risk construction works.

Recommendations:

- The Shire should establish a routine document review and update process to ensure all procedures and work instructions consistently comply with current legislation, eliminating any outdated references.

Element 2.9

The organisation and individuals satisfy legal requirements to undertake specific activities, perform work or operate equipment.

Findings:

Satisfactory

Observation:

- Workers receive training in the operation of plant and equipment relevant to their roles, with all licenses and registrations for mobile equipment kept current and copies of workers' licenses scanned and securely stored in their personnel files.
 - The Shire also ensures that all equipment and vehicles are regularly maintained and serviced in accordance with the manufacturer's specifications.
-

Unconfirmed

3.0 Consultation and Reporting

Element 3.1 **There are agreed procedures for involvement and consultation with workers on health and safety issues.**

Findings: Satisfactory

Observation:

- The Shire uses various methods to address health and safety issues, such as toolbox talks, pre-start and team meetings, WHS Committee meetings and electing health and safety representatives.
- The WHS Committee's terms of reference define the Shire's mission to foster a proactive, collaborative approach that encourages active worker involvement in health and safety issues.
- Records of WHS Committee minutes and toolbox talks demonstrate that workers are actively represented in planning meetings.

Element 3.2 **Consultative arrangements are communicated to workers and are well understood.**

Findings: Insufficient

Observation:

- Managers and supervisors communicate consultative arrangements daily while health and safety representatives regularly update their work groups. However, the absence of these arrangements from the Shire WHS Induction Booklet limits workers' awareness and understanding of the consultation process.

Recommendations:

- Update the Shire WHS Induction Booklet to include the agreed consultative arrangements, enhancing workers' awareness and understanding of the consultation process.

Element 3.3 **Workers or their representatives are involved in planning processes for the management of health and safety risk at the workplace.**

Findings: Insufficient

Observation:

- Managers and supervisors ensure that everyone involved in the work communicates with each other to identify hazards and risks, talks about health and safety concerns and works together to find solutions.
- Workers interviewed confirmed their involvement in discussions about changes to workplace safety practices; however, this participation is not consistent across all departments

Recommendations:

- The Shire should implement a standardised consultation process to ensure consistent worker involvement in safety-related workplace practice changes across all departments.

Element 3.4

Workers or their representatives are consulted regarding proposed changes to the work environment, processes or procedures and purchasing decisions that could affect their health and safety.

Findings: Satisfactory

Observation:

- Workers confirm that they are given a reasonable opportunity to contribute to the decision-making process relating to the health and safety matters, such as the purchase new or used equipment or the use of new substance.
- Workers and their Representatives participate in task-specific risk assessments and the development of controls, with the consultation process supported by minutes from WHS Committee, team and toolbox meetings.

Element 3.5

Workers or their representatives are consulted regarding management of hazards in the workplace.

Findings: Satisfactory

Observation:

- The Shire consults with workers or their representatives when identifying hazards, assessing risks and deciding on measures to eliminate or minimise those risks.
- Minutes sighted from WHS Committee, completed hazard reports, and incident reports confirm workers and their representatives are consulted regarding hazards within the workplace.
- Workers and their representatives are consulted as part of the Incident Investigation process and the development of actions to manage hazards that contributed to the incident.

Element 3.6

There are arrangements in place for the acquisition, provision and exchange of health and safety information with external parties, including customers, suppliers, contractors and relevant public authorities.

Findings: Insufficient

Observation:

- Workers are provided with safety information, including Standard Operating Procedures for the safe operation of plant and equipment, as well as Material Safety Data Sheets (MSDS) for the proper handling of substances; however, the MSDS are currently outdated and inadequately stored.
- There is no documented process for exchanging health and safety information with contractors, nor is there a formal procedure for handling health and safety complaints from external parties.

Recommendations:

- The Shire should ensure all Material Safety Data Sheets (MSDS) are regularly updated and securely stored adjacent to the relevant materials, providing workers with timely and accurate safety information.
- The Shire should establish and implement a documented process for exchanging health and safety information with contractors and a formal procedure for managing health and safety complaints from external parties.

Element 3.7

Consultative and reporting arrangements are regularly evaluated and modified where required.

Findings: Insufficient

Observation:

- Consultation arrangements are not formally reviewed or documented. Instead, managers and supervisors rely on informal discussions to evaluate workers' understanding of health and safety requirements, using any identified gaps to inform the development of awareness training or other necessary actions.

Recommendations:

- The Shire should look to review the effectiveness of its consultation methods regularly. This review should form part of the committee's terms of reference and be documented.

Unconfirmed

4.0 Hazard Management

Element 4.1 **Requirements for reducing risks are understood by management and workers.**

Findings: Insufficient

Observation:

- The Shire’s Work Health and Safety Induction Booklet references risk management procedures, but workers have not received targeted training to enhance their awareness and understanding of their risk management responsibilities.

Recommendations:

- The Shire should establish targeted training programs to enhance workers’ awareness of their risk management responsibilities, as well as the practical measures required to mitigate workplace health and safety risks.

Element 4.2 **Work environments are regularly inspected and hazards are identified.**

Findings: Ad hoc

Observation:

- The Shire has developed inspection templates, SWMSs, SWPs, Take 5 safety checks and forms for reporting accidents, incidents and hazards through the implementation of Skytrust. However, the adoption and consistent use of these tools remain uneven across the Shire’s diverse work environments.
- Workers and supervisors are experiencing difficulties logging into the Skytrust system, or they have restricted access, limiting their ability to access SWMS and other hazard identification documents or to enter critical information such as incidents and identified hazards.

Recommendations:

- The Shire should implement enhanced user access controls and deliver targeted training and ongoing support to ensure workers and supervisors can effectively log in to and consistently use the Skytrust tools across all work environments for reporting and data entry.
- Pending resolution of the Skytrust adoption and access issues, the Shire should implement an interim system to maintain workplace inspections and hazard identification.

Element 4.3 **Work activities are analysed and hazards identified.**

Findings: Ad hoc

Observation:

- Managers, supervisors and workers could not confirm their contribution of relevant information during work activity analyses, as the current Skytrust safety documents are system-generated with limited input from those performing the tasks.
- No evidence was provided to show that procedures for analysing work activities and related safe work practices are reviewed with the workers performing the tasks within a reasonable timeframe, especially following changes

Recommendations:

- The Shire should establish a collaborative process that actively involves managers, supervisors and workers in contributing and validating

information during work activity analyses to enhance the accuracy and relevance of their safety documents.

- A formal review process should be implemented to ensure timely updates to work activity analyses and associated safe working procedures.
-

Element 4.4

Risk assessments are undertaken on identified hazards.

Findings: Insufficient

- Observation:**
- While the Skytrust incident and hazard register outlines identified hazards and their associated risks, the number of reported hazards is limited. The Shire was unable to provide evidence that risk assessments are consistently conducted for these hazards.
 - Changes to the workplace, including the adoption of the Skytrust online WHS management system and the decision to allow animals such as dogs in the office building, have been implemented without conducting any risk assessments.
-

- Recommendations:**
- The Shire should implement a systematic risk assessment process to ensure all identified hazards in the Skytrust register are thoroughly evaluated and documented.
 - The Shire should conduct risk assessments for all hazards and workplace changes, including the introduction of animals in the office in order to identify and mitigate potential hazards.
-

Element 4.5

Hazards are prioritised and controlled using the hierarchy of controls and having regard to the identified level of risk.

Findings: Insufficient

- Observation:**
- It was advised that, where reasonably practicable, the Shire implements higher-order controls or combinations thereof; however, workers currently lack sufficient training to understand the planning and application of the hierarchy of controls.
-

- Recommendations:**
- The Shire should provide comprehensive training to workers to enhance their understanding and effective application of the hierarchy of controls in the workplace safety planning and implementation.
 - The processes for planning and implementing the hierarchy of controls should be thoroughly documented, regularly monitored, reviewed and continuously improved.
-

Element 4.6

The effectiveness of the hazard identification, risk assessment and risk control process is periodically reviewed and documented.

Findings: Insufficient

- Observation:**
- Hazard identification, risk assessment, and risk control activities are discussed at WHS Committee and pre-start/toolbox meetings, but there is no formal process in place for the periodic review and documentation of their effectiveness.
-

-
- Recommendations:**
- The Shire should develop a documented process to evaluate the effectiveness of all implemented risk control measures, including an assessment of how well the risk reduction aligns with initial expectations.
-

Element 4.7 **Incidents, injuries and diseases are reported and investigated.**

Findings: Insufficient

- Observation:**
- The Shire systematically records work-related incidents and injuries in a register, with reviews conducted during WHS Committee meetings and documented in the meeting minutes.
 - Managers, supervisors and workers are familiar with the Accident, Incident Reporting and Investigation Procedure and provide necessary information as required; however, formal training to enhance their understanding of the investigation process has not yet been provided.
-

- Recommendations:**
- The Shire should establish formal training programs to improve the understanding and awareness of the Accident, Incident Reporting and Investigation Procedure among managers, supervisors and workers.
-

Element 4.8 **Is there a process in place for identifying and measuring worker fitness for work?**

Findings: Satisfactory

- Observation:**
- The Shire has established a Fitness for Work Policy that adopts a fair and proactive fatigue management process, including an alcohol and drug screening program to reduce injury risks and promote the health and safety of workers.
 - The Fitness for Work Policy is integrated into the Shire's Work Health and Safety Induction Booklet and workers acknowledge their understanding and adherence to its provisions.
-

5.0 Training and Supervision

Element 5.1 **An induction program is in place for all workers and contractors, providing relevant health and safety information and instruction.**

Findings: Insufficient

Observation:

- The Shire has an induction program in place that provides relevant WHS instruction and information for its workers and contractors.
- Although proper induction has been provided to some workers and major contractors, it has not been consistently extended to small contractors, all workers and volunteers.

Recommendations:

- The Shire should implement a standardised induction and refresher training program to ensure all workers, including small contractors, workers and volunteers, receive consistent onboarding and ongoing safety expectations and updates.

Element 5.2 **All management and supervisory personnel have received training in health and safety management principles and practices appropriate to their roles and responsibilities.**

Findings: Ad hoc

Observation:

- Currently, the Shire's management and supervisory staff have not been provided with training on health and safety management principles and practices relevant to their roles and responsibilities.

Recommendations:

- The Shire should provide targeted health and safety management training to management and supervisory personnel to ensure they are equipped to fulfill their roles and responsibilities effectively.

Element 5.3 **The organisation has identified the training needs of all workers.**

Findings: Insufficient

Observation:

- Although training needs are informally identified through performance reviews, individual requests, WHS Committee input and incident reports, the Shire has yet to establish a systematic process for determining WHS management training requirements for workers.

Recommendations:

- The Shire should implement a formal, systematic process to identify and address the training needs of all workers, including WHS management and supervisory requirements.

Element 5.4 **Tasks are allocated according to capability, level of training and supervision of workers.**

Findings: Satisfactory

Observation:

- The Shire ensures that tasks are assigned according to workers' capabilities and training, supported by supervisory arrangements to ensure safe execution and compliance with work instructions and procedures.
- Position descriptions define the competency, capability and experience required for the role safely and efficiently.

Element 5.5

Training is delivered by people with appropriate knowledge skills and experience.

Findings:

Exemplary

Observation:

- The Shire provides documented evidence demonstrating that it conducts due diligence on potential training organisations, assessing their credentials, learning objectives, course content and delivery methods before engagement.
- On the job trainings are delivered by supervisors with the appropriate knowledge, skills and experience required to effectively deliver the training.

Element 5.6

The training program is evaluated and reviewed.

Findings:

Insufficient

Observation:

- Although training attendance is addressed in team meetings, the Shire does not currently have a formal process to evaluate the effectiveness, relevance and benefits of its training activities.

Recommendations:

- The Shire should establish a formal process to evaluate all trainings to identify any gaps and formulate the appropriate recommendations.
- The review process should provide information on the extent to which the training objectives are achieved as well as the relevance and benefit of the trainings.

Element 5.7

Supervision is undertaken by people with appropriate health and safety knowledge, skills and experience.

Findings:

Insufficient

Observation:

- Supervision is provided from a technical standpoint; however, supervisors lack sufficient and updated health and safety knowledge, skills and experience.

Recommendations:

- The Shire should provide all managers and supervisors with comprehensive WHS roles and responsibilities training and implement clear performance criteria to ensure the effective application of health and safety knowledge in the workplace.

6.0 Volunteer Management

Element 6.1 **There are policies and procedures in place for managing volunteers.**

Findings: Insufficient

Observation:

- The Shire has adopted Standard Operating Procedures for Bush Fire Brigades to manage its bush fire volunteers; however, volunteers currently do not participate in the Shire's induction process, which is essential to ensure they are fully informed of its health and safety expectations.
- The Shire confirmed that it does not engage with any other volunteer groups.

Recommendations:

- The Shire should implement a volunteer induction program that includes essential WHS training and information to ensure their safety and compliance.

Element 6.2 **Records of volunteer management are retained.**

Findings: Satisfactory

Observation:

- The Shire and DFES maintain comprehensive volunteer records, including names, contact details, skills, emergency contacts, active bush fire brigade memberships and training histories.
- Records of volunteers' PPE and clothing assignments, as well as their attendance at training sessions and meetings are also maintained and accessible through the Shire's CESM.

Element 6.3 **Volunteers are provided work instructions that reflect current legislation, standards and codes of practice.**

Findings: Satisfactory

Observation:

- The Shire collaborates with DFES to ensure bush fire brigades receive work instructions that consistently aligned with current legislation, standards and codes of practice.

Element 6.4 **Where required, volunteers meet legislative requirements for the tasks they are undertaking.**

Findings: Satisfactory

Observation:

- Through collaboration with DFES, the Shire ensures that volunteers meet all legislative requirements necessary for the tasks they undertake.
- The Shire's Bushfire Operating Procedures specify the required training that bushfire brigade members must complete before commencing active duties.

Element 6.5

The organisation conducts ongoing training and verification of competency for volunteers.

Findings: Satisfactory

- Observation:**
- The adopted Standard Operating Procedures specify the required training levels at each stage, ensuring all volunteers complete the necessary training and assessments to verify their competency in effectively applying their knowledge to assigned tasks
 - The Chief Bushfire Control Officer ensures that registered bush fire brigades complete the required training prior to undertaking active duties.
-

Element 6.6

Equipment (including PPE) suitable for the work being conducted is provided to volunteers and volunteers are trained in its use.

Findings: Satisfactory

- Observation:**
- The Shire ensures that volunteers are provided with the appropriate Personal Protective Equipment (PPE), including helmets, jackets, shirts, trousers and gloves, tailored to the specific requirements of their assigned tasks.
 - Bushfire Brigade are provided with in-house familiarisation, training that covers various aspects of managing PPE.
-

Element 6.7

There are arrangements in place for the consultation and communication with volunteers.

Findings: Satisfactory

- Observation:**
- The Shire regularly engages with volunteers through in-person, email, SMS, or phone meetings to address key issues and ensure thorough preparation for each volunteering activity.
 - The Volunteer Bush Fire Brigades convene an annual general meeting (AGM) attended by representatives from the Shire, Brigade Captains, Lieutenants, the Chief Bushfire Control Officer and the Deputy Chief to address operational matters and ensure comprehensive preparation for the forthcoming fire season.
-

Element 6.8

Where appropriate, volunteers are involved in the planning and risk assessment of tasks they are involved in.

Findings: Satisfactory

- Observation:**
- The Gnowangerup Bushfire Advisory Committee plays a vital role in coordinating and managing all activities related to bushfires and emergencies within the Shire.
 - The operational responsibility for planning and conducting risk assessments for bushfire tasks and activities primarily rests with the appointed Chief Bush Fire Control Officer, Bush Fire Brigade Officer.
 - Bushfire volunteers receive Rural Fire Awareness training delivered by DFES, which covers relevant tasks and incorporates feedback to support continuous improvement.
-

Element 6.9

There is a process for identifying and managing fatigue in volunteers.

Findings:

Satisfactory

- Bush fire brigades receive training on fatigue management through the Rural Fire Awareness Training modules, along with a self-paced online training module accessible on the DFES website.

Observation:

- In addition to various fatigue awareness initiatives, volunteer bush fire brigades' fatigue is actively monitored on-site by tracking their attendance, start times and dates to promote ongoing safety and well-being.
-

Unconfirmed

ISSUES IDENTIFIED DURING THE ASSESSMENT NOT RECORDED ELSEWHERE

Work Depot

- The emergency shower at the depot lacks clear, unobstructed access, posing a serious safety risk by potentially delaying timely decontamination and increasing the severity of injuries or health complications during emergencies.

Moreover, the emergency shower outside is exposed to direct sunlight, which may cause water heating within the pipes.

Recommendation: The Shire should ensure the emergency shower at the depot has clear and unobstructed access at all times to enable prompt decontamination and enhance personnel safety during emergencies.

The Shire should consider installing a shade, like a canopy or awning, and potentially apply insulation to the pipes to minimise heat transfer from sunlight.

Chemical Shed

- The current chemical shed is in a dilapidated condition, exposing chemicals to sunlight and environmental elements, which can lead to chemical degradation and increased safety hazards.

Recommendation: The Shire should repair or replace the chemical shed to provide adequate storage that shields chemicals from sunlight and environmental exposure, reducing degradation and associated safety hazards.

Inside Main Depot

- The main depot is highly disorganized, with gardening equipment left unsecured and exposed blades posing significant injury risks, chemicals stored without proper protection increasing the potential for spills and contamination, gas cylinders and fire extinguishers improperly stored and unsecured. Overall, the depot environment was disorderly and cluttered, impeding safe movement and access to emergency equipment.

Recommendation: The Shire should implement strict organizational and storage protocols at the main depot to securely store gardening equipment, protect chemicals, and properly position gas cylinders and fire extinguishers, thereby eliminating safety hazards and ensuring a safe working environment

NEXT STEPS

Step 2 of the *3 Steps to Safety* program involves the development of a WHS Action Plan to address any outcomes assessed as *insufficient*, *ad hoc* and *unsatisfactory*. This will be completed by the assessor and sent to the Shire for ongoing implementation to drive continuous improvement.

ACKNOWLEDGEMENTS

LGIS would like to thank the Shire of Gnowangerup for their hospitality during the assessment. This appreciation is extended to all personnel who were involved in the activity who made themselves available or prepared and presented documents.

Unconfirmed

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6. CLOSURE

There being no further business, Presiding Member, Renata Paliskis thanked committee members and staff and closed the meeting at 2.59pm.

Unconfirmed