Shire of GNOWANGERUP

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Heart of the Stirlings

AGENDA

Audit, Risk and Improvement Committee Meeting

22 July 2026
Commencing at 2:00pm

Council Chambers
Yougenup Road, Gnowangerup WA 6335

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 and two independent members. 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 Executive Assistant and Governance 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, 22 July 2026 at the Council Chambers, 28 Yougenup Road, Gnowangerup WA 6335 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.

Shire of
GNOWANGERUP
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Heart of the Stirlings

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.

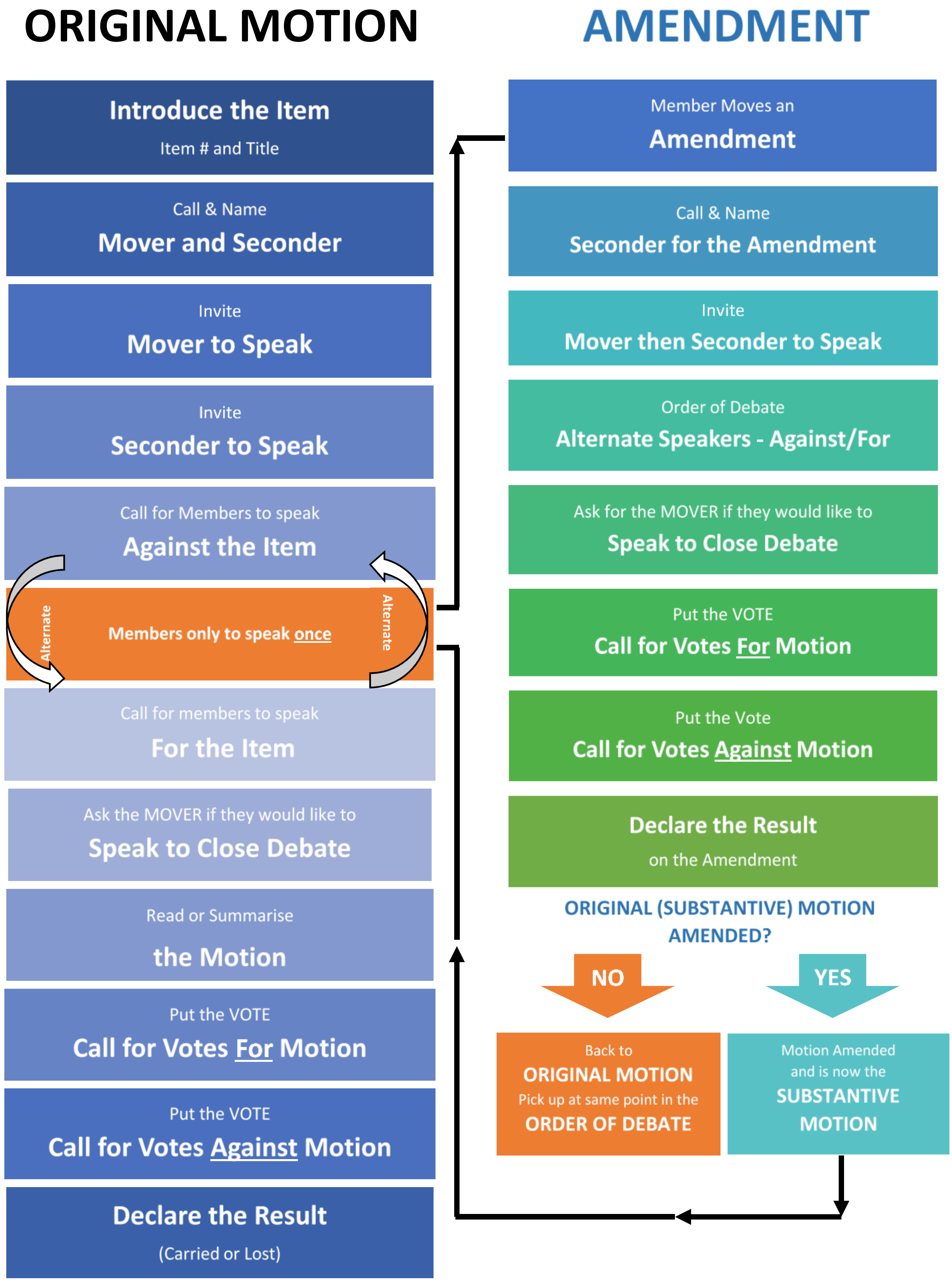
The Shire of Gnowangerup advises that anyone who has any application lodged with the Shire of Gnowangerup shall obtain and should only rely on **written confirmation** of the outcome of the application, and any conditions attaching to the decision made by the Shire of Gnowangerup in respect of the application.

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



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 Seconder. The Minor amendment must be minuted.

Substantive Motion

Introduce the Item
Item # and Title

Call & Name
Mover and Seconder

Invite
Mover to Speak

Invite
Seconder to Speak

Call for Members to speak
AGAINST the Item

Members only to speak once

Call for members to speak
FOR the Item

Alternate

Ask the Mover if they would like to
Speak to Close Debate

Read or Summarise
the Motion

Put the VOTE
Call for Votes FOR Motion

Put the VOTE
Call for Votes AGAINST Motion

Declare the Result
(Carried or Lost)

CARRIED

Foreshadowed Motion Lapses

Substantive Motion **LOST**

During Debate of Substantive Motion

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

A **Member** Speaking to the Substantive Motion advises **They wish to Foreshadow a Motion**

Presiding Member **Notes the Foreshadowed Motion** and the **Proposing Member**

Debate of the Substantive Motion continues

Foreshadowed Motion

Ask the **Proposing Member** if they wish to **MOVE the Foreshadowed Motion**

Call & Name
Seconder

Foreshadowed becomes the Substantive Motion

Call for Member to speak
AGAINST the Item

Members only to speak once

Call for members to speak
FOR the Item

Alternate

Ask the MOVER if they would like to
Speak to CLOSE DEBATE

Read or Summarise
the MOTION

Put the VOTE
Call for Votes FOR Motion

Put the VOTE
Call for Votes AGAINST Motion

Declare the Result
(Carried or Lost)

Note:

1. Deferring an item wording:
   - "Deferred for consideration at ………… on………….. and resubmitting to Council.

2. "*Laying an item on the table*" is similar to "deferring" but used when item will be re-considered later in the same meeting.

3. Questions can be asked at any time, BUT cannot be debated.

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OPENING PROCEDURES

1. OPENING AND ANNOUNCEMENT OF VISITORS

Committee Chair, Emily Onn, welcomes committee members and staff and opens the meeting at ______pm.

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**

3.2 **APOLOGIES**

3.2 **APPROVED LEAVE OF ABSENCE**
Nil

4. CONFIRMATION OF PREVIOUS MEETING MINUTES

4.1 AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES 25 MARCH 2026

OFFICER RECOMMENDATION:

That the minutes of the Audit, Risk and Improvement Committee Meeting held on 25 March 2026 be confirmed as a true record of proceedings.

5. OFFICER ITEMS

5.1	**WORKPLACE HEALTH & SAFETY ACTION TRACKER**
Location:	N/A
Proponent:	N/A
Date of Report:	25 June 2026
Business Unit:	Governance & Strategy
Responsible Officer:	Anrie van Zyl – Safety & Emergency Coordinator
Author:	Peter Wall – Project, Risk Management and Procurement Officer
Disclosure of Interest:	Nil

ATTACHMENTS

- WHS Action Tracker – LGIS Assessment Report 2025 **(confidential)**.

PURPOSE OF THE REPORT

For the Audit, Risk and Improvement Committee to receive, review and note the Shire's Workplace Health and Safety Action Tracker monitoring progress against the LGIS Tier 1 Audit Findings, driving improvement following an LGIS review in November 2025.

BACKGROUND

As part of a regular three-year review process our insurers, LGIS Mutual Services, visited the Shire and performed a desktop audit of our Workplace Health and 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 welcomed the visit by LGIS as it enabled us to examine the state of our systems and what improvements are required. Unfortunately, the review highlighted significant shortfall in our systems.

The report has become the foundation document for the work of the newly appointed WHS Coordinator. The action tracker monitors improvement progress, based on the action plan which highlighted the initial way forward as we work through the areas of improvement.

The coordinator has examined the points raised and is providing a progress report on the improvement steps we are taking.

Since the previous ARIC meeting, there have been significant resources applied to address the identified areas to ensure the WHS environment improves to meet the required standards of the next annual review.

The work to date has covered:

- Updating information within the WHS system (Skytrust)
- Additional staff training including first aid training, confined spaces, chem cert accreditation and working at heights (all of which is recorded in Skytrust).
- Moving manual systems to automated and overall process and system improvements – this includes upgrading from paper-based incident reports to incident reports completed in Skytrust

with automated notifications and accountability tracking. Other examples include the automated reporting of pre-start vehicle checks in Skytrust, with notifications sent to relevant colleagues.

CONSULTATION
Nil

LEGAL AND STATUTORY REQUIREMENTS
Local Government Act 1995
Local Government Regulations (Audit) 1996
Local Government (Functions and General) Regulations 1996
Work Health and Safety Act 2020
Work Health and Safety (General) Regulations 2022

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 and progress to date**
Primary Strategic Risk Category	Adverse Regulatory Change
Primary Strategic Risk Category **Description**	• 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 and ensuring progress is made requires responsible, generally senior staff, to action items in a timely manner.

ALTERNATE OPTIONS AND THEIR IMPLICATIONS
Nil

CONCLUSION
The WHS Action Tracker monitoring progress against the LGIS Tier 1 Audit Findings is a beneficial tool to

assist the Audit, Risk and Improvement Committee meet their oversight obligations.

VOTING REQUIREMENTS
Simple Majority

OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee notes the WHS Action Tracker and progress to date.

5.2	**REVIEW OF FINANCIAL MANAGEMENT, RISK MANAGEMENT, LEGISLATIVE COMPLIANCE AND INTERNAL CONTROLS REPORT**
Location:	N/A
Proponent:	N/A
Date of Report:	25 June 2026
Business Unit:	Governance & Strategy
Responsible Officer:	Thomas Gorman – Deputy Chief Executive Officer
Author:	Peter Wall – Project, Risk Management and Procurement Officer
Disclosure of Interest:	Nil

ATTACHMENTS

- Regulation 5 and 17 – Appendix F Tracker **(confidential)**.

PURPOSE OF THE REPORT

For the Audit, Risk and Improvement Committee to receive, review and note the management comments and progress to date on actions arising from 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 and March 2026, however progress against the report is being presented for the first time.

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 the 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 results are contained in a single report.

With the appointment of a Project Officer, progress has been made on these findings, and is being presented to the Audit, Risk and Improvement Committee. As of July 2026, of the 118 issues, 53 are complete (representing 45%), while the remaining 65 (55%) have assigned actionable steps.

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 4 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 progress against the Regulation 5 and 17 Review Report and not to recommend the endorsement by Council**
Primary Strategic Risk Category	Adverse Regulatory Change
Primary Strategic Risk Category **Description**	• 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

OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee notes the progress against 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)).

5.3	**AUDIT FINDINGS REGISTER**
Location:	N/A
Proponent:	N/A
Date of Report:	25 June 2026
Business Unit:	Governance & Strategy
Responsible Officer:	Thomas Gorman – Deputy Chief Executive Officer
Author:	Peter Wall – Project, Risk Management and Procurement Officer
Disclosure of Interest:	Nil

ATTACHMENTS

- Audit Committee Finding Report – March 2026

PURPOSE OF THE REPORT

For the Audit, Risk and Improvement Committee to receive, review 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 Charted 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 9 months away from having 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 Officer and Finance Officers being appointed.

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. This information is to help the Audit, Risk and Improvement Committee to monitor the timeliness of agreed actions and understand the reasons for any delay.

With the appointment of Project, Risk Management and Procurement Officer for the DCEO, a review of the status of all open items has begun, to ensure they are closed out over the next 3 months. The results of that review are being presented to the Audit, Risk and Improvement Committee.

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 and progress against open items.**
Primary Strategic Risk Category	Adverse Regulatory Change
Primary Strategic Risk Category **Description**	• 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 and 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

OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee notes the updated Audit Findings Register and progress against open items.

5.4	**CYBERSECURITY ACTIONS – PROGRESS UPDATE**
Location:	N/A
Proponent:	N/A
Date of Report:	25 June 2026
Business Unit:	Governance & Strategy
Responsible Officer:	Thomas Gorman – Deputy Chief Executive Officer
Author:	Peter Wall – Project, Risk Management and Procurement Officer
Disclosure of Interest:	Nil

ATTACHMENTS

- Cybersecurity Actions – Progress Update **(confidential)**.

PURPOSE OF THE REPORT

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

BACKGROUND

There have been significant levels of cyber related crimes perpetrated or sponsored by stated based, crime or terrorist groups, amongst others. There have been examples of large multi-national organisations internationally and in Australia dealing with the consequences of a range of poor technology outcomes, i.e. data breaches to the dark web and ransomware attacks.

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 completed 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 these cyber threats. 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, the Shire of Gnowangerup received the Cyber Uplift Program from our insurers, LGIS Mutual Services. This was pitched to the sector as the LGIS board recognised the evolving cyber threat landscape; and recognised LGIS 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. The results were based on the responses provided by the Shire to LGIS in the renewal questionnaires during the insurance renewal process for 2025. Another report based on the 2026 responses will be issued within the coming months, an exact timeframe could not be confirmed by LGIS. A review of the 2025 results showed that while the Shire of Gnowangerup certainly had areas to improve, it compared well within the sector.

Shortly after receiving the JLT report, the Shire initiated an assessment of our IT environment and how we are meeting the cyber security threat. To ensure compliance with the Essential 8 standard, we began the process of significantly upgrading our managed IT services. Since upgrading the managed services agreement in April, there have been significant advancements in both technical alignment review and Microsoft Secure Score. Solutions IT will be providing another progress report during the next review meeting.

CONSULTATION
LGIS, JLT and Solutions IT

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 cost of approximately $35,570 per year 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

OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee notes the progress of the assessment of our current IT environment and scoring provided by Solutions IT.

5.5	**COMPLIANCE AUDIT RETURN 2025**
Location:	N/A
Proponent:	N/A
Date of Report:	25 June 2026
Business Unit:	Governance & Strategy
Responsible Officer:	Thomas Gorman – Deputy Chief Executive Officer
Author:	Peter Wall – Project, Risk Management and Procurement Officer
Disclosure of Interest:	Nil

ATTACHMENTS

- Compliance Audit Return 2025

PURPOSE OF THE REPORT

For the Audit, Risk and Improvement Committee to receive, review and note the Compliance Audit Return for 2025 and report the results to Council.

BACKGROUND

The Local Government (Audit) Regulations 1996 require that each local government is to carry out a compliance audit for the period 1st January to 31st December each year.

The Compliance Audit Return is a useful tool in prompting and assisting both Councillors and staff to comply with the legislative requirements of local government. It also provides a snapshot to Council of how the organisation is functioning.

It is a requirement that the completed return is presented to the Audit, Risk and Improvement Committee for review. It is then referred to Council for adoption.

COMMENTS

The Compliance Audit Return 2025 was completed by staff in June 2026.

The findings of this Audit will be integrated into the Audit Finding Register.

CONSULTATION WITH THE COMMUNITY AND GOVERNMENT AGENCIES

Nil

LEGAL AND STATUTORY REQUIREMENTS

Local Government (Audit) Regulations 1996

Regulation 14. Compliance audits by local governments

> *(1) A local government is to carry out a compliance audit for the period 1 January to 31 December in each year.*
> *(2) After carrying out a compliance audit the local government is to prepare a compliance audit return in a form approved by the Minister.*
> *(3A) The local government's audit committee is to review the compliance audit return and is to report to the council the results of that review.*
> *(3) After the audit committee has reported to the council under subregulation (3A), the compliance audit return is to be —*

(a) presented to the council at a meeting of the council; and
(b) adopted by the council; and
(c) recorded in the minutes of the meeting at which it is adopted.

POLICY IMPLICATIONS
Nil

FINANCIAL IMPLICATIONS
Nil

STRATEGIC IMPLICATIONS
As per Integrated Strategic Plan

Theme	Our Organisation
Community Priority	Forward planning and implementation of plans to achieve strategic objectives

STRATEGIC RISK MANAGEMENT CONSIDERATIONS
This item has been evaluated against the current Council approved Risk Management Register.

Risk description	**Not to accept the Compliance Annual Return 2025**
Primary Strategic Risk Category	Adverse Regulatory Change
Primary Strategic Risk Category **Description**	• Investigation of Council for non-compliance • Litigation • Reputational damage
Consequence: (Insignificant, Minor, Moderate, Major, Catastrophic)	Catastrophic
Likelihood: (Almost Certain, Likely, Possible, Unlikely, Rare)	Possible

IMPACT ON CAPACITY
Nil

ALTERNATE OPTIONS AND THEIR IMPLICATIONS
Nil

CONCLUSION
It is recommended that the Audit, Risk and Improvement Committee accept the Compliance Audit Return for 2025 and recommend adoption by Council.

VOTING REQUIREMENTS
Simple majority

OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee accepts the Compliance Audit Return for the period 1st January 2025 to 31st December 2025 and recommends adoption by Council.

6. CLOSURE

There being no further business, Committee Chair, Emily Onn thanks committee members and staff and closes the meeting at____________pm.