Notice of a Audit Risk and Improvement Committee Meeting

Dear Committee Member

The next Meeting of Audit Risk and Improvement Committee Meeting will be held on **Friday, 14 August 2026** in Council Chambers, commencing at 2:00 PM

AGENDA

Audit Risk and Improvement Committee Meeting

Friday, 14 August 2026

Date: 07 August 2026

Audit, Risk and Improvement Committee Terms of Reference

1. INTRODUCTION

The Council of the Shire of Bridgetown-Greenbushes (Council) establishes the Audit, Risk and Improvement Committee (Committee) pursuant to sections 5.8, 5.9(2)(c) and 5.17(c) of the *Local Government Act 1995* (the Act).

The Committee is an advisory committee and acts in accordance with:

- The *Local Government Act 1995*
- The *Local Government (Audit) Regulations 1996*
- The *Local Government (Financial Management) Regulations 1996*
- Council policies and local laws
- This Instrument of Appointment and Terms of Reference.

The Committee has no delegated authority and cannot make decisions binding on behalf of Council.

2. OBJECTIVES

The Committee provides independent oversight, guidance and assistance to the Council and Chief Executive Officer (CEO) in matters relating to:

- Audit and financial reporting
- Risk management
- Governance and internal control
- Legislative and policy compliance
- Organisational performance improvement

These objectives support Council to meet its statutory obligations under Part 6 and Part 7 of the Act, and Regulations.

2.1 Audit Oversight

The Committee will:

- Assist Council to fulfil its functions relating to:
  - External audits required under Part 7 of the Act
  - Financial management reviews and reporting under Part 6 of the Act
  - Any other relevant audits or reviews required by legislation.
- Support the Auditor in the conduct of audits under the Act, including facilitating communication and access to information.
- Examine audit reports received via the CEO and:
  - Invite the Auditor to attend meetings to discuss matters raised (as appropriate).
  - Report findings and recommendations to Council.
- Recommend to Council:
  - The scope of internal and external audit programs.
  - Priorities for audit coverage.

2.2 Review and Oversight of Audit Outcomes

The Committee will:

- Review reports prepared by the CEO in accordance with:
  - Regulation 17(3) of the *Local Government (Audit) Regulations 1996.*
  - Section 7.12A reports to the Minister.
- Provide recommendations to Council on audit findings and the adequacy of proposed actions.

- Monitor the implementation of:
  - Auditor recommendations under section 7.12A of the Act.
  - Reviews conducted under Regulation 17 (risk, internal control, legislative compliance).
  - Financial management system reviews conducted under Regulation 5(2)(c).
  - Internal or external audit findings identifying significant risks or governance issues.

2.3 Risk Management and Internal Control

The Committee will:

- Monitor and advise on the adequacy and effectiveness of the Shire's:
  - Risk management framework.
  - Internal control systems.
  - Legislative and policy compliance systems
- Report significant risk, control or governance concerns to Council.

2.4 Governance and Financial Management

The Committee will:

- Review and recommend adoption of the Annual Financial Report to Council.
- Monitor systems and controls relating to:
  - Ethical standards and conduct.
  - Related Party Disclosures (AASB 124 compliance).
  - National Competition Policy obligations (where applicable).
  - Performance indicators and benchmarking (where applicable).
- Oversee projects, investigations or matters referred by the CEO, internal auditors, external auditors, or Council.
- Monitor progress of major legal matters affecting the Shire.

2.5 Reporting and Communication

The Committee will:

- Provide a formal report to Council after each meeting.
- Maintain effective communication with the CEO, internal auditors, external auditors and relevant stakeholders.
- Ensure transparency and accountability consistent with the Act and Audit Regulations.

3. MEMBERSHIP

3.1 Elected Members

The Committee shall comprise four (4) elected members, appointed by Council.

3.2 Community Members

Up to two (2) community members may be appointed. Desirable qualifications include financial, legal, governance, audit or risk management expertise.

3.3 External Advisors

With Council approval, the CEO may engage up to two independent consultants with specialist expertise to provide advice to the Committee.

3.4 Staff

In accordance with section 5.22 of the Act, no staff member (including the CEO) may be a member of the Committee. The CEO and staff may attend in an advisory capacity only.

4. PRESIDING MEMBER

The Presiding Member and Deputy Presiding Member shall be appointed by Council in accordance with section 5.12 of the Act.

5. QUORUM

A quorum is 50% of the total number of members, whether or not all positions are filled, consistent with section 5.19 of the Act.

6. COMMITTEE OPERATIONS

6.1 Legislative Compliance

The Committee's general affairs shall be administered in accordance with the *Local Government Act 1995*, associated regulations, Council policies, and this Terms of Reference.

6.2 Order of Business

The standard order of business for Committee meetings shall be:

1. Declaration of Opening and Announcement of Visitors
2. Attendance / Apologies / Approved Leave of Absence
3. Declarations of Interest
4. Confirmation of Minutes
5. Presentations / Deputations
6. Reports
7. General Business (if permitted)
8. Closure

6.3 Agenda Management

- No business is to be transacted other than that listed in the published agenda, unless approved by:
  - the Presiding Member, or
  - Council.
- Agenda items must be provided in writing with supporting documentation.
- The CEO prepares the agenda in consultation with the Presiding Member.

6.4 Recommendations to Council

All Committee recommendations must be formally adopted by Council before any action may be implemented.

6.5 Review of Terms of Reference

This document will be reviewed:

- Following each ordinary local government election, or
- At any other time determined by Council.

7. MEETINGS

7.1 Frequency and Time

The Committee shall meet:

- Quarterly at 5:30pm, or
- More frequently if requested by Council, the CEO, or the Presiding Member.

7.2 Notice of Meetings

Members shall receive at least 7 days' notice, unless urgent business requires a shorter period.

7.3 Minutes

Minutes must be prepared in accordance with section 5.22 of the Act and submitted to Council within 14 days of the meeting.

7.4 Voting

Each member has one vote. The Presiding Member may exercise a casting vote in the event of a tie under section 5.21.

7.5 Audit-Related Meetings

The Committee must meet promptly upon receiving the interim audit report to address matters raised by the Auditor.

8 DELEGATED POWERS

The Committee has no delegated authority under section 5.17 of the Act. All recommendations are advisory and must be referred to Council for decision.

9. TERMINATION OF MEMBERSHIP

- Membership terms align with the local government election cycle (generally two years), unless Council resolves otherwise.
- Or as otherwise determined under the Act or by Council resolution.

10. AMENDMENT TO THE INSTRUMENT OF APPOINTMENT AND DELEGATION

This Instrument may be amended by Council on the recommendation of the Committee or after providing 14 days' notice to the Committee.

11. COMMITTEE DECISIONS

Decisions made by the Committee are advisory and are not binding on Council where they conflict with Council's delegated powers.

CONTENTS

SHIRE OF BRIDGETOWN GREENBUSHES

Audit Risk and Improvement Committee Meeting

ITEM 1 DECLARATION OF OPENING

Meeting to be opened by the Presiding Member.

ITEM 2 ACKNOWLEDGEMENT OF COUNTRY

We acknowledge the cultural custodians of the land on which we gather, the Pibulmun-Wadandi people. We acknowledge and support their continuing connection to the land, waterways and community. We pay our respects to members of the Aboriginal communities and their culture; and to Elders past and present, their descendants still with us today, and those who will follow in their footsteps.

ITEM 3 RECORD OF ATTENDANCE

3.1 Attendance

Council Officers

Observer/Visitor

3.2 Apologies

No matters for consideration

ITEM 4 DECLARATIONS OF MEMEBERS' AND OFFICER INTEREST

Part 5, Division 6 of the Local Government Act 1995 requires a member who has an interest in any matter to be discussed at the meeting to disclose the interest and the nature of the interest in writing before the meeting, or immediately before the matter is discussed.

ITEM 5 CONFIRMATION OF MINUTES

5.1 Confirmation of Minutes: Audit Risk and Improvement Committee Meeting – 24 April 2026

OFFICER RECOMMENDATION

That the Minutes of the Audit Risk and Improvement Committee Meeting held on the 24 April 2026 be confirmed as a true and accurate record.

ITEM 6 REPORTS OF OFFICERS

6.1 Quarterly Regulation 17 Audit Log

File Ref

Responsible Officer	Merridith Morrell, Manager of Executive Services Unit
Reporting Officer	Mark Allies, Governance Officer
Attachments	1. ARIC Reg17 Audit Log Q4 2025-26 (under separate cover)
Voting Requirements	Simple Majority
Disclosure of Interest	Reporting Officer: Nil Responsible Officer: Nil

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OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee receives the Quarterly Regulation 17 Audit Log for Q4 2025/26 and notes the progress of Regulation 17 audit actions, assurance activities and scheduled reviews since the April 2026 meeting.

IN BRIEF

This item presents the updated Regulation 17 Audit Log, which tracks our progress in resolving findings across risk management, internal controls, and legislative compliance.

MATTER FOR CONSIDERATION

The Q4 2025/26 Audit Log reflects progress across the three Regulation 17 focus areas of risk management, internal controls and legislative compliance. Since the April 2026 ARIC meeting, several items have progressed from “On Track” or “Planned” to implemented, embedded or pending ARIC approval status.

Key changes include the Council Risk Register being reviewed by ELT with no material gaps identified; WHS governance improvements being embedded following completion and acceptance of all nine WorkSafe Improvement Notices; the Financial Management Review moving to implemented status with effectiveness review underway; privacy and information compliance tools being implemented ahead of PRIS Act commencement; and the Compliance Audit Return being endorsed by ELT and awaiting ARIC approval.

Remaining scheduled reviews, including business continuity and disaster recovery, procurement and contract management, records management and broader ICT assurance, remain included in the forward Regulation 17 review program for 2026/27. No material governance or control gaps requiring unplanned remediation or escalation to Council have been identified for the current quarter.

BACKGROUND

Regulation 17 of the Local Government (Audit) Regulations 1996 requires the Chief Executive Officer to review the appropriateness and effectiveness of the Shire’s systems and procedures in relation to risk management, internal control and legislative compliance.

The Regulation 17 Audit Log is provided to support the Committee's oversight of risk management, internal control and legislative compliance by tracking review areas, key organisational risks, related controls, responsible officers, status updates and next milestones.

STATUTORY ENVIRONMENT

Local Government (Audit) Regulations 1996

Local Government (Financial Management) Regulations 1996

Local Government Act 1995

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

There are no direct budget implications arising from noting the Quarterly Regulation 17 Audit Log. Any future resourcing requirements arising from scheduled reviews, external assurance activities or implementation of audit actions will be considered through normal budget and business planning processes.

COUNCIL PLAN

- Outcome 10 – Proactive, visionary leadership and effective governance
- Objective 10.1 – Achieve excellence in leadership, governance and service delivery with a "can do" culture

LONG TERM FINANCIAL PLAN

Nil

ASSET MANAGEMENT PLANS

Nil

WORKFORCE PLAN

Nil

RISK MANAGEMENT

The Audit Log supports risk management by providing structured monitoring of audit recommendations, control improvements and scheduled reviews aligned to the Shire's risk register. The Q4 update confirms that no material governance or control gaps requiring unplanned remediation or escalation have been identified.

Measures of Likelihood			
Rating	**Description**	**Frequency**	**Probability**
Almost Certain	The event is expected to occur in most circumstances	More than once per year	> 90% chance of occurring
Likely	The event will probably occur in most circumstances	At least once per year	60% - 90% chance of occurring
Possible	The event should occur at some time	At least once in 3 years	40% - 60% chance of occurring
Unlikely	The event could occur at some time	At least once in 10 years	10% - 40% chance of occurring
Rare	The event may only occur in exceptional circumstances	Less than once in 15 years	< 10% chance of occurring

Risk Matrix					
Consequence Likelihood	**1 Insignificant**	**2 Minor**	**3 Moderate**	**4 Major**	**5 Catastrophic**
Almost Certain	Moderate	High	High	Extreme	Extreme
Likely	Low	Moderate	High	High	Extreme
Possible	Low	Moderate	Moderate	High	High
Unlikely	Low	Low	Moderate	Moderate	High
Rare	Low	Low	Low	Low	Moderate

COMMENT

Nil

6.2 Quarterly Assurance Summary

File Ref

Responsible Officer Merridith Morrell, Manager of Executive Services Unit

Reporting Officer Mark Allies, Governance Officer

Attachments 1. Reg 17 Audit Log Assurance Table and Summary - Q4 25-26 (under separate cover)

Voting Requirements Simple Majority

Disclosure of Interest Reporting Officer: Nil

Responsible Officer: Nil

OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee receives the Regulation 17 Quarterly Assurance Summary for Q4 2025/26 and notes the current status of prior Regulation 17 recommendations, scheduled reviews and assurance activities.

IN BRIEF

The Quarterly Assurance Summary is a high-level briefing report provided to the Audit, Risk and Improvement Committee (ARIC). It verifies that an organization's internal controls, risk management, and legislative compliance are operating effectively, while highlighting any outstanding audit actions or emerging risks that require immediate committee attention.

MATTER FOR CONSIDERATION

The Q4 2025/26 assurance summary confirms that all recommendations arising from the 2023 Regulation 17 Audit have been either completed and embedded into business-as-usual controls, incorporated into the Shire's governance and compliance frameworks, or scheduled within the forward Regulation 17 review program. The attachment identifies specific closed, implemented, in-progress and planned review areas, including ICT assurance, business continuity, procurement and contract management, and records management.

No material governance or control gaps requiring unplanned remediation or escalation to Council have been identified for the current reporting period. Assurance ratings reflect implementation status at the reporting date and remain subject to validation through scheduled reviews and external assurance activities.

Assurance Summary

Assurance Domain	Status
Risk Management	On Track
Internal Controls	On Track
Legislative Compliance	On Track

The detailed implementation status of Regulation 17 reviews, audit actions, control improvements and future review activities is contained within Attachment 7.2.1 – Quarterly Regulation 17 Assurance Summary Q4 2025/26. Matters requiring Committee attention or escalation are summarised in this assurance report.

The attachment identifies no matters requiring unplanned escalation to Council for Q4 2025/26. Items remaining in the forward program include business continuity and disaster recovery, procurement and contract management, records management and external ICT assurance, with scheduled review or assurance activity continuing through 2026/27.

BACKGROUND

Regulation 17 of the Local Government (Audit) Regulations 1996 requires the Chief Executive Officer to review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance, and to report the results of that review to the Audit, Risk and Improvement Committee. This quarterly assurance summary supports that oversight by providing line-of-sight between prior Regulation 17 recommendations, current-quarter implementation status, scheduled reviews and external assurance activity.

The attached Quarterly Assurance Summary provides the Committee with a concise line-of-sight update on the implementation status of prior Regulation 17 recommendations, the current quarter assurance position, matters requiring escalation and the forward review program. It supports Committee oversight of the Shire's risk management, internal control and legislative compliance systems.

STATUTORY ENVIRONMENT

Local Government (Audit) Regulations 1996

Local Government (Financial Management) Regulations 1996

Local Government Act 1995

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

There are no direct budget implications arising from noting this report. Any future resourcing requirements arising from scheduled assurance activities or implementation of outstanding actions will be considered through normal budget and business planning processes.

COUNCIL PLAN

- Outcome 10 – Proactive, visionary leadership and effective governance
- Objective 10.1 – Achieve excellence in leadership, governance and service delivery with a "can do" culture

LONG TERM FINANCIAL PLAN

Nil

ASSET MANAGEMENT PLANS

Nil

WORKFORCE PLAN

Nil

RISK MANAGEMENT

The Quarterly Assurance Summary supports the Shire's risk management framework by providing Committee oversight of key risk management, internal control and legislative compliance activities. It confirms that no material governance or control gaps requiring unplanned remediation or escalation have been identified for Q4 2025/26.

Measures of Likelihood			
Rating	**Description**	**Frequency**	**Probability**
Almost Certain	The event is expected to occur in most circumstances	More than once per year	> 90% chance of occurring
Likely	The event will probably occur in most circumstances	At least once per year	60% - 90% chance of occurring
Possible	The event should occur at some time	At least once in 3 years	40% - 60% chance of occurring
Unlikely	The event could occur at some time	At least once in 10 years	10% - 40% chance of occurring
Rare	The event may only occur in exceptional circumstances	Less than once in 15 years	< 10% chance of occurring

Risk Matrix					
Consequence Likelihood	**1 Insignificant**	**2 Minor**	**3 Moderate**	**4 Major**	**5 Catastrophic**
Almost Certain	Moderate	High	High	Extreme	Extreme
Likely	Low	Moderate	High	High	Extreme
Possible	Low	Moderate	Moderate	High	High
Unlikely	Low	Low	Moderate	Moderate	High
Rare	Low	Low	Low	Low	Moderate

COMMENT

Nil

6.3 Office of the Auditor General Published Reports - April to July 2026

File Ref

Responsible Officer	Casey Radford, Director Corporate, Economic and Community Development
Reporting Officer	Mark Allies, Governance Officer
Attachments	1. Office of the Auditor General Local Government 2025 Financial Audit Results Report (under separate cover)
Voting Requirements	Simple Majority
Disclosure of Interest	Reporting Officer: Nil Responsible Officer: Nil

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OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee receives the following reports published by the Office of the Auditor General:

1. **Report 13: 2025-26 Local Government 2025 – Financial Audit Results**

IN BRIEF

This report is prepared to advise the Audit and Risk Improvement Committee of Office of the Auditor General (OAG) reports published and identify any findings, recommendations or emerging risks that may be relevant to the Shire.

During the period April to July 2026, the Office of the Auditor General Published one report for Local Government sector;

- Report 13: Local Government 2025 – Financial Audit Results – 15th April 2026
    - The report summarises the final results of annual financial audits for 138 of 147 Western Australian local government entities for the year ended 30 June 2025.

MATTER FOR CONSIDERATION

Report 13: Local Government 2025 – Financial Audit

The Local Government 2025 – Financial Audit report summarises the sector wide results of the annual financial audit for 2025. The report notes that, despite delayed lodgment in 2024, the Shire of Bridgetown-Greenbushes was one of nine local governments that, through appropriate commitment and resolve, successfully addressed the contributing issues and met the statutory deadline in 2025. This is a positive outcome for the Shire and reflects an improvement in audit readiness, financial reporting timeliness and organisational focus on statutory compliance.

The report provides useful sector-wide context for the Committee, including the OAG's ongoing focus on audit readiness, quality financial reporting, timely submission of audit-ready financial reports, effective reconciliations, asset accounting and reduction of financial report errors and versions. These themes align

with existing Committee oversight of the Shire's financial management review actions, Regulation 17 assurance program, internal controls and legislative compliance framework.

BACKGROUND

Both reports include matters relevant to the Shire of Bridgetown-Greenbushes.

Key Statistics from the OAG Reports

- The OAG audit program covered 147 local government entities, with 138 entity audits included in the 2025 results report.
- Clear audit opinions were issued for 136 entities, with only two qualified opinions and no disclaimers of opinion for 2025.
- Ninety-four per cent of local government audit opinions were issued by the statutory deadline, reflecting sector-wide improvement in timeliness.
- Eighty-four per cent of entities provided their financial report by the 30 September 2025 legislated deadline; however, 54 per cent provided their financial report during the week of the deadline and one-third provided it on the deadline.
- Only six per cent of entities required no adjustments to their financial report, indicating that financial report quality remains a key sector-wide challenge.
- Approximately 33 per cent of entities provided five or more versions of their financial report to audit, with one entity providing 19 versions.
- The value of total adjusted and unadjusted financial statement errors increased to $718.3 million in 2025, compared with $452.2 million in 2024.
- The OAG reported 896 control findings across the sector, comprising 563 financial management issues and 333 information systems control issues.
- Financial management issues decreased from 607 in 2024 to 563 in 2025, and the number of entities with reported control weaknesses decreased from 130 to 112.
- There were 179 unresolved prior-year financial management control findings across 81 entities, representing 32 per cent of all current year financial management findings.
- The Shire of Bridgetown-Greenbushes was one of nine local governments identified as having addressed contributing issues from delayed 2024 lodgement and met the statutory deadline in 2025.

STATUTORY ENVIRONMENT

Local Government (Audit) Regulations 1996

Local Government (Financial Management) Regulations 1996

Local Government Act 1995

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

There are no direct budget implications arising from receiving this report. Any future actions required to strengthen audit readiness, financial reporting quality, asset management, internal controls or financial sustainability monitoring will be considered through normal budget and business planning processes.

COUNCIL PLAN

- Outcome 10 – Proactive, visionary leadership and effective governance
- Objective 10.1 – Achieve excellence in leadership, governance and service delivery with a "can do" culture

LONG TERM FINANCIAL PLAN

Nil

ASSET MANAGEMENT PLANS

Nil

WORKFORCE PLAN

Nil

RISK MANAGEMENT

The OAG report highlights sector-wide risks associated with delayed audits, poor quality financial reports, excessive report versions, unresolved audit findings, asset accounting errors, information systems control weaknesses, including business continuity and cyber security risks. Key audit finding risks relevant to Committee oversight include:

- **Financial reporting risk:** The OAG identified 135 financial reporting issues across 70 entities, including weaknesses in journal entries, reconciliations, policies and procedures. Poor quality financial reports increase the risk of material misstatement, audit delay, additional audit costs and reputational impact.
- **Expenditure and procurement risk:** The report identified 109 expenditure weaknesses across 61 entities, including purchase order, quotation, supplier master file and credit card control issues. These weaknesses increase the risk of unauthorised expenditure, fraud, non-compliance and failure to achieve value for money.
- **Unresolved prior-year findings risk:** The report identified 179 unresolved prior-year financial management findings across 81 entities, with 36 rated significant. Unresolved findings can compound control weaknesses, increase audit effort and create ongoing exposure to financial, compliance and reputational risk.

For the Shire, these risks are being managed through the financial management review action plan, Regulation 17 assurance program, audit log reporting, compliance monitoring, policy review program, asset management controls and ongoing ARIC oversight. The OAG report reinforces the importance of maintaining momentum on these controls and ensuring audit readiness is embedded as business-as-usual rather than treated as an annual compliance exercise.

Measures of Likelihood			
Rating	**Description**	**Frequency**	**Probability**
Almost Certain	The event is expected to occur in most circumstances	More than once per year	> 90% chance of occurring
Likely	The event will probably occur in most circumstances	At least once per year	60% - 90% chance of occurring
Possible	The event should occur at some time	At least once in 3 years	40% - 60% chance of occurring
Unlikely	The event could occur at some time	At least once in 10 years	10% - 40% chance of occurring
Rare	The event may only occur in exceptional circumstances	Less than once in 15 years	< 10% chance of occurring

Risk Matrix					
Consequence Likelihood	**1 Insignificant**	**2 Minor**	**3 Moderate**	**4 Major**	**5 Catastrophic**
Almost Certain	Moderate	High	High	Extreme	Extreme
Likely	Low	Moderate	High	High	Extreme
Possible	Low	Moderate	Moderate	High	High
Unlikely	Low	Low	Moderate	Moderate	High
Rare	Low	Low	Low	Low	Moderate

COMMENT

Nil

6.4 WHS Activity Report

File Ref	
Responsible Officer	Merridith Morrell, Manager of Executive Services Unit
Reporting Officer	Mark Allies, Governance Officer
Attachments	1. WHS Activity Report (under separate cover)
Voting Requirements	Simple Majority
Disclosure of Interest	Reporting Officer: Nil Responsible Officer: Nil

OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee receives the WHS Quarterly Activity Report for the period 24 April 2026 to 14 August 2026 and notes the WHS activities undertaken, incident and near miss reporting, completion of WorkSafe improvement and prohibition notices, training delivered, SkyTrust implementation progress and ongoing WHS risk controls.

IN BRIEF

The WHS Quarterly Activity Report is provided to support Committee oversight of work health and safety governance, risk management and internal control activities. The completed report covers the period 24 April 2026 to 14 August 2026 and summarises pre-starts, inspections, incident reports, near misses, WorkSafe notices, training, safety initiatives and key WHS risks.

MATTER FOR CONSIDERATION

The completed WHS Quarterly Activity Report records a broad program of WHS activity during the reporting period, including five pre-start sessions with Outdoor Works, depot and aquatic facility inspections, five incident reports, one near miss, closure of WorkSafe improvement and prohibition notices, seven training activities and several proactive safety initiatives.

Key WHS Activity and Outcomes

- Pre-start sessions focused on safe operating procedures, mobile plant housekeeping expectations, incident and hazard reporting, contractor safe work method statements and SkyTrust application feedback.
- Inspections included ongoing daily vehicle and machinery pre-start checks, an aquatic facility chlorine storage inspection, Bridgetown Shire Depot site inspections and follow-up checks on improvement notices and general housekeeping.
- Incident reporting included a worker shoulder injury at the waste facility, vehicle damage at the library, a member of the public injury at the recreation centre, a chlorine gas alarm at the recreation centre and a worker slip incident in a public area.
- One near miss was reported involving a volunteer who presented to work while unwell, with corrective communication issued regarding fitness for work expectations and medical clearance.
- All WorkSafe matters reported in the attachment are closed or completed, including emergency eyewash facilities, mobile plant housekeeping, regulator notification process, skid steer condition, gas bottle storage, chains and slings inspections, hazardous chemical registers, chemical labelling,

spill containment, slips/trips/falls, chemical shed signage, traffic management, safe work procedures and plant competency requirements.
- SkyTrust implementation is in progress, with a go-live date of 1 August 2026, training provided on 15 July 2026 and directors, managers and supervisors trained in managing actions.
- Other safety initiatives included an all-staff safety video and discussion, Executive Leadership Team field safety conversations, onsite skin checks, audiometric testing, establishment of the Health and Safety Committee and a CEO-endorsed 12-month WHS Improvement Plan.

This report supports the Committee's oversight of organisational work health and safety risks, control effectiveness, implementation of corrective actions and ongoing compliance obligations under the Work Health and Safety Act 2020.

BACKGROUND

This is the first WHS Activity Report provided for ARIC review. It is the intention of the Administration to provide updates at each ARIC meeting to support continued oversight.

STATUTORY ENVIRONMENT

Work Health & Safety Act 2020

Local Government Act 1995

POLICY IMPLICATIONS

GC11 - WHS Policy 2026

FINANCIAL IMPLICATIONS

There are no direct budget implications arising from noting this report. Any future resourcing requirements associated with WHS improvement actions or control enhancements will be considered through normal budget and business planning processes.

COUNCIL PLAN

- Outcome 10 – Proactive, visionary leadership and effective governance
- Objective 10.1 – Achieve excellence in leadership, governance and service delivery with a “can do” culture

LONG TERM FINANCIAL PLAN

Nil

ASSET MANAGEMENT PLANS

Nil

WORKFORCE PLAN

Nil

RISK MANAGEMENT

The WHS Quarterly Activity Report supports the Shire’s risk management framework by providing oversight of work health and safety controls, improvement actions and monitoring arrangements. The key WHS risks highlighted through the completed report include plant and equipment competency, depot housekeeping, slips/trips/falls, hazardous chemicals, chlorine gas storage and alarm response, contractor safe work

documentation, incident and hazard reporting, fitness for work and implementation of SkyTrust as a central reporting and action management system.

The closure of WorkSafe improvement and prohibition notices significantly reduces immediate regulatory and safety exposure. Ongoing risk remains in ensuring the corrective actions are embedded into day-to-day practice, including continued inspection routines, supervisor follow-up, worker training, completion of safe operating procedures, SkyTrust adoption and regular reporting to management and ARIC.

The chlorine storage inspection at the Bridgetown Leisure Centre identified a recommendation to review alternatives to chlorine gas. Costing has commenced and discussions with potential funding providers are ongoing. This matter should remain subject to management oversight given the potential severity of chlorine gas related risks.

COMMENT

Nil

6.5 Disposal of Surplus Assets Policy Review

File Ref	
Responsible Officer	Merridith Morrell, Manager of Executive Services Unit
Reporting Officer	Mark Allies, Governance Officer
Attachments	1. Disposal of Surplus Assets Policy (under separate cover)
Voting Requirements	Simple Majority
Disclosure of Interest	Reporting Officer: Nil Responsible Officer: Nil

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OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee:

1. **Receives Draft Policy FA13 Disposal of Surplus Assets;**
2. **Notes that the policy has been developed in response to Recommendation 6.2.4 of the 2025 Financial Management System Review; and**
3. **Recommends that Council adopt Draft Policy FA13 Disposal of Surplus Assets.**

IN BRIEF

A Disposal of Surplus Assets policy protects local governments from legal and financial risks by ensuring the ethical, transparent, and cost-effective retirement of unneeded items. It prevents fraud, guarantees fair market value, and promotes environmental sustainability through proper recycling or e-waste management.

MATTER FOR CONSIDERATION

The draft policy establishes a transparent and legally compliant framework for identifying, approving and disposing of surplus Shire assets. It sets out disposal pathways including public auction, public tender, private treaty where lawful, donation, trade-in, recycling and lawful refuse disposal, and requires officers to consider legislative compliance, probity, value for money, environmental responsibility, risk management and community benefit.

The policy also supports internal control by requiring appropriate approvals, valuation and notice requirements where applicable, management of conflicts of interest, record keeping through a Disposal Register, and removal of disposed assets from the asset register or relevant inventory systems. These controls respond directly to the Financial Management System Review recommendation and support the Committee's oversight of asset safeguarding, financial governance and legislative compliance.

BACKGROUND

Recommendation 6.2.4 of the 2025 Financial Management System Review identified that the Shire did not have a documented policy for the disposal of Shire assets, including information technology assets, and recommended a formal policy to support transparent, consistent and secure disposal practices.

Draft Policy FA13 – Disposal of Surplus Assets has been prepared in response to this recommendation and is presented to the Committee for review prior to Council consideration.

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Functions and General) Regulations 1996

The draft policy is aligned to section 3.58 of the *Local Government Act 1995* and regulations 30 and 31 of the *Local Government (Functions and General) Regulations 1996*. It also supports compliance with the Shire's Delegations Register by clarifying approval pathways, disposal methods, valuation and notice requirements, record keeping obligations and controls for managing conflicts of interest in asset disposal decisions.

IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

There are no direct budget implications arising from the Committee receiving the draft policy or recommending it to Council for consideration.

Implementation of the policy is expected to support improved value for money, asset safeguarding and financial accountability in future disposal decisions. Any future costs associated with valuations, public notice, secure IT asset disposal or implementation of disposal controls will be managed through existing operational budgets or considered through normal budget and business planning processes where required.

COUNCIL PLAN

- Outcome 10 – Proactive, visionary leadership and effective governance
- Objective 10.1 – Achieve excellence in leadership, governance and service delivery with a "can do" culture

LONG TERM FINANCIAL PLAN

Nil

ASSET MANAGEMENT PLANS

Nil

WORKFORCE PLAN

Nil

RISK MANAGEMENT

The absence of a documented asset disposal policy was identified in the Financial Management System Review as creating risks that assets may not be disposed of in a manner that maximises value, ensures transparency or complies with legislative and governance requirements. The review also identified specific risks associated with IT asset disposal, including data breach, unauthorised access to sensitive or confidential information and potential privacy non-compliance.

Adopting the draft policy will reduce these risks by establishing consistent approval pathways, lawful disposal methods, valuation and notice requirements, conflict of interest controls, secure disposal

expectations and record keeping requirements. The policy therefore strengthens the Shire's internal control environment and supports ongoing oversight of asset safeguarding and legislative compliance.

Measures of Likelihood			
Rating	**Description**	**Frequency**	**Probability**
Almost Certain	The event is expected to occur in most circumstances	More than once per year	> 90% chance of occurring
Likely	The event will probably occur in most circumstances	At least once per year	60% - 90% chance of occurring
Possible	The event should occur at some time	At least once in 3 years	40% - 60% chance of occurring
Unlikely	The event could occur at some time	At least once in 10 years	10% - 40% chance of occurring
Rare	The event may only occur in exceptional circumstances	Less than once in 15 years	< 10% chance of occurring

Risk Matrix					
Consequence Likelihood	**1 Insignificant**	**2 Minor**	**3 Moderate**	**4 Major**	**5 Catastrophic**
Almost Certain	Moderate	High	High	Extreme	Extreme
Likely	Low	Moderate	High	High	Extreme
Possible	Low	Moderate	Moderate	High	High
Unlikely	Low	Low	Moderate	Moderate	High
Rare	Low	Low	Low	Low	Moderate

COMMENT

Nil

6.6 2025 Compliance Audit Return

File Ref	
Responsible Officer	Merridith Morrell, Manager of Executive Services Unit
Reporting Officer	Mark Allies, Governance Officer
Attachments	1. Compliance Audit Return 2025 (under separate cover)
Voting Requirements	Simple Majority
Disclosure of Interest	Reporting Officer: Nil Responsible Officer: Nil

OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee receives the 2025 Compliance Audit Return for the period 1 January 2025 to 31 December 2025, notes that the return has been completed in accordance with Regulation 14 of the *Local Government (Audit) Regulations 1996*, recommends that Council adopt the 2025 Compliance Audit Return, and recommends that, following Council adoption, the Chief Executive Officer submit the adopted return and supporting Council resolution through the Department's Compliance Audit Return Portal within the required statutory timeframe.

IN BRIEF

To present the 2025 Compliance Audit Return (CAR) to the Audit, Risk and Improvement Committee for review and recommendation to Council for adoption.

Internal consultation was undertaken with relevant responsible officers and through review of governance records, statutory registers, compliance monitoring systems and assurance documentation.

MATTER FOR CONSIDERATION

The attached draft Compliance Audit Return 2025 has been prepared following an internal review of the Shire's compliance with the matters prescribed by the Department for the period 1 January 2025 to 31 December 2025.

In preparing the return, consideration was given to:

- Council resolutions and the Council Resolution Register;
- Audit, Risk and Improvement Committee agendas and minutes;
- the Regulation 17 Compliance Review and Audit Log;
- the Financial Management System Review and associated action log;
- the Council Plan 2025–2035;
- statutory registers and governance records;
- Compliance Calendar monitoring activities; and
- compliance controls managed through Attain.

The draft return records the Shire's responses to the prescribed compliance questions and identifies no matters requiring qualification or separate reporting to the Committee.

The Committee is requested to review the draft return, consider the supporting evidence and recommend that Council adopt the return prior to submission through the Department's online portal.

Following Council adoption, the adopted Compliance Audit Return and Council resolution will be submitted through the Department's Compliance Audit Return Portal within the required statutory timeframe.

BACKGROUND

Regulation 14 of the Local Government (Audit) Regulations 1996 requires each local government to complete a Compliance Audit Return for the period 1 January to 31 December each year. The return is a prescribed self-assessment of selected legislative compliance obligations and must be reviewed by the Audit, Risk and Improvement Committee before being adopted by Council and submitted through the Department's online portal by the required statutory deadline.

STATUTORY ENVIRONMENT

Local Government (Audit) Regulations 1996

Local Government Act 1995

Local Government (Audit) Regulations 1996, Regulation 14, requires the local government to carry out a compliance audit for the relevant period, arrange for the completed return to be reviewed by the Audit, Risk and Improvement Committee, adopt the return by Council resolution and submit it in the approved manner within the required statutory timeframe.

Failure to submit a completed Compliance Audit Return by the statutory deadline may constitute non-compliance with the Regulations.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

There are no direct budget implications arising from noting this report.
Any future actions identified through audit, risk or compliance activities will be considered through the normal budget and business planning processes.

COUNCIL PLAN

- Outcome 10 – Proactive, visionary leadership and effective governance
- Objective 10.1 – Achieve excellence in leadership, governance and service delivery with a "can do" culture

LONG TERM FINANCIAL PLAN

Nil

ASSET MANAGEMENT PLANS

Nil

WORKFORCE PLAN

Nil

RISK MANAGEMENT

The Compliance Audit Return is an important governance assurance mechanism that assists Council to identify legislative compliance obligations and monitor the effectiveness of governance controls. Failure to adequately review, adopt or submit the return may expose the Shire to regulatory and reputational risk.

COMMENT

Nil

6.7 POLICY - Senior Designated Employees

File Ref	
Responsible Officer	Garry Adams, Chief Executive Officer
Reporting Officer	Merridith Morrell, Manager of Executive Services Unit
Attachments	1. POLICY - Senior Designated Employees (Shire of Bridgetown-Greenbushes) (under separate cover)
Voting Requirements	Simple Majority
Disclosure of Interest	Reporting Officer: Nil Responsible Officer: Nil

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OFFICER RECOMMENDATION

That the Audit Risk and Improvement Committee:

1. **Recommends that Council adopts the Senior Designated Employees Policy (Attachment 1) as the Shire's framework for designating and managing senior employees under the *Local Government Act 1995;***

IN BRIEF

- The Shire does not currently have a policy that formally designates senior employees under section 5.37 of the *Local Government Act 1995*.
- This report presents a Senior Designated Employees Policy for adoption, which designates specified senior positions and sets out how the associated statutory obligations are administered.
- Formal designation provides clarity and legal certainty regarding the respective roles of the CEO and Council in the employment, management and dismissal of senior employees.

MATTER FOR CONSIDERATION

Formal designation of senior employee positions under section 5.37(1) of the *Local Government Act 1995*, and adoption of the accompanying Senior Designated Employees Policy.

BACKGROUND

Section 5.37(1) of the *Local Government Act 1995* provides that a local government may designate employees, or persons belonging to a class of employee, to be senior employees. The designation is discretionary; however, once made, it engages a number of statutory obligations.

Where a position is designated as a senior employee position, section 5.37(2) requires the CEO to inform Council of each proposal to employ or dismiss that senior employee, and Council may accept or reject the CEO's recommendation (providing written reasons if it rejects). This qualifies the CEO's general employment powers under section 5.41(2)(d). Senior employees must also be engaged under written contracts that specify performance criteria, in accordance with section 5.39.

A review of the Shire's governance framework identified that senior employees have not previously been formally designated by Council. This creates uncertainty as to which positions attract the provisions of sections 5.37 and 5.39. The attached policy addresses this by consolidating the relevant

documentation, identifying the designated positions (supported by an organisational chart), and setting out how the statutory requirements are met.

The importance of correctly applying section 5.37(2) has been considered in industrial proceedings concerning the dismissal of senior local government employees, underscoring the value of a clear, adopted framework.

This matter was presented to Council at the July Concept Forum, where the proposed Senior Designated Employees Policy and the associated statutory designations were discussed. This report brings the matter forward for formal Council adoption, incorporating the feedback provided at that forum.

STATUTORY ENVIRONMENT

Local Government (Administration) Regulations 1996

Local Government Act 1995

Local Government Act 1995

- Section 5.37 – Senior employees (designation; CEO to inform Council of proposals to employ or dismiss).
- Section 5.38 – Annual review of employees' performance.
- Section 5.39 – Contracts for CEO and senior employees (written contracts; performance criteria).
- Section 5.41(2)(d) – Functions of the CEO, subject to section 5.37(2) in relation to senior employees.

Local Government (Administration) Regulations 1996

- *Relevant provisions relating to senior employee employment and contracts.*

Local Government (Model Code of Conduct) Regulations 2021

POLICY IMPLICATIONS

Nil

The Senior Designated Employees Policy is a new policy within the Shire's governance framework. It consolidates related documentation dealing with senior employees and, on adoption, will operate alongside the Shire's existing employment and governance policies.

FINANCIAL IMPLICATIONS

There are no direct financial implications arising from the adoption of the policy or the designation of senior employee positions. The remuneration and contractual arrangements for senior employees are managed under existing workforce and budget provisions and are not affected by the act of designation.

COUNCIL PLAN

The policy supports the Strategic Community Plan aspiration for strong, accountable and transparent governance and effective organisational leadership.

LONG TERM FINANCIAL PLAN

Nil impact.

ASSET MANAGEMENT PLANS

Not applicable.

WORKFORCE PLAN

The policy is directly relevant to the Workforce Plan. Formal designation clarifies the Shire's senior organisational structure and the governance arrangements applying to senior positions, supporting consistent and compliant workforce management.

RISK MANAGEMENT

Adoption reduces governance and employment risk by removing uncertainty about which positions are senior employees and by documenting the process for their employment and dismissal under section 5.37(2). Failure to correctly apply these provisions carries legal and reputational risk; a clear, adopted policy mitigates that exposure

COMMENT

Formally determining the organisation structure, designating senior employees and adopting a supporting policy provides Council and the Administration with a clear, defensible framework for managing the Shire's most senior positions. It confirms the Shire's senior structure, the positions to which sections 5.37 and 5.39 apply, the CEO's obligation to inform Council of proposals to employ or dismiss those positions, and the requirement for written contracts with performance criteria.

Once adopted, the policy will provide certainty for both Council and staff, support consistent decision-making, and align the Shire's practice with the requirements of the *Local Government Act 1995*.

6.8 Financial Management System Review - Progress Report

File Ref	
Responsible Officer	Garry Adams, Chief Executive Officer
Reporting Officer	Casey Radford, Director Corporate, Economic and Community Development
Attachments	1. FMSR 2025 Audit Log Shire Bridgetown-Greenbushes August 26 (under separate cover)
Voting Requirements	Simple Majority
Disclosure of Interest	Reporting Officer: Nil Responsible Officer: Nil

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OFFICER RECOMMENDATION

That the Audit Risk and Improvement Committee receives the progress on the outcomes of the Financial Management Systems Review.

IN BRIEF

To provide the Audit, Risk and Improvement Committee with assurance regarding the identification, management and resolution of financial management control compliance matters arising from the October 2025 Financial Management System Review (FMSR).

MATTER FOR CONSIDERATION

The Committee is asked to receive and note the progress made on audit management points from the most October 2025 review.

BACKGROUND

The Financial Management System Review was undertaken in accordance with Regulation 5 of the Local Government (Financial Management) Regulations 1996. The regulations outline the CEO's duties as to financial management which includes ensuring that there are efficient systems and procedures established to ensure that the resources of the Local Government are effectively managed. The review assessed the adequacy of Shire's financial management framework, systems and internal controls.

The review was completed in 25/26 by AMD Chartered Accountants & Advisors, with a site visit conducted in December 2025. The audit focused on the 25/26 financial year and included follow-up samples from the October 25 period.

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Local Government (Audit) Regulations 1996

POLICY IMPLICATIONS

FM 4 – Procurement, Budget Management and Supporting Local Business Policy

FINANCIAL IMPLICATIONS

There are no direct budget implications arising from noting this report. Any future actions identified through audit, risk or compliance activities will be considered through the normal budget and business planning processes

COUNCIL PLAN

The policy supports the Strategic Community Plan aspiration for strong, accountable and transparent governance and effective organisational leadership.

LONG TERM FINANCIAL PLAN

There are no direct implications arising from receiving this report

ASSET MANAGEMENT PLANS

There are no direct implications arising from noting this report

WORKFORCE PLAN

There are no direct implications arising from noting this report

RISK MANAGEMENT

Monitoring and progressing actions arising from the Financial Management System Review mitigates risks relating to financial misstatement, fraud, cyber incidents, non-compliance with statutory obligations and ineffective internal controls.

Measures of Likelihood			
Rating	**Description**	**Frequency**	**Probability**
Almost Certain	The event is expected to occur in most circumstances	More than once per year	> 90% chance of occurring
Likely	The event will probably occur in most circumstances	At least once per year	60% - 90% chance of occurring
Possible	The event should occur at some time	At least once in 3 years	40% - 60% chance of occurring
Unlikely	The event could occur at some time	At least once in 10 years	10% - 40% chance of occurring
Rare	The event may only occur in exceptional circumstances	Less than once in 15 years	< 10% chance of occurring

Risk Matrix					
Consequence Likelihood	**1 Insignificant**	**2 Minor**	**3 Moderate**	**4 Major**	**5 Catastrophic**
Almost Certain	Moderate	High	High	Extreme	Extreme
Likely	Low	Moderate	High	High	Extreme
Possible	Low	Moderate	Moderate	High	High
Unlikely	Low	Low	Moderate	Moderate	High
Rare	Low	Low	Low	Low	Moderate

COMMENT

The Financial Management Log consolidates all recommendations arising from the Review and documents agreed management actions, ownership and timeframes, forming part of the Shire's broader assurance framework.

Management has accepted all recommendations arising from the Review, with a number of tasks completed during the last quarter. Progress against these actions will continue to be monitored through the Financial Management Log and Audit and Risk reporting framework.

Overall, the Financial Management Log demonstrates that all findings arising from the Financial Management System Review are either completed, actively progressing, or scheduled within agreed timeframes proportionate to their assessed risk.

ITEM 7 NEXT MEETING

The next Audit Risk and Improvement Committee Meeting is scheduled to take place on commencing at in the Council Chambers.

ITEM 8 CLOSURE

The Presiding Member to close the meeting.