AGENDA

Audit, Risk and Improvement Committee Meeting

26 August 2026

Shire of Victoria Plains

Council Chambers, Calingiri

AND

via E-Meeting Protocol

Commencing – 11:00 AM

DISCLAIMER:

The recommendations contained in this document are officers' recommendations only and should not be acted upon until Council has resolved to adopt those recommendations.

The resolutions of Council should be confirmed by perusing the minutes of the Council meeting at which these recommendations were considered. Resolutions are not considered final until the minutes of the meeting are confirmed or advised in writing by the CEO or authorised person.

Members of the public should also note that they act at their own risk if they enact any resolution prior to receiving official written notification of Council's decision.

Recording of Meeting

Members of the public are advised that meetings of Council are audio recorded to assist with ensuring an accurate record of the meeting is provided for the formal minutes of the meeting. In terms of the Privacy Act 1998 this may involve the recording of personal information provided at the meeting. The provision of any information that is recorded is voluntary, however if any person does not wish to be recorded they should not address or request to address the meeting. By remaining in this meeting, you consent to the recording of the meeting.

You are not permitted to record this meeting with any recording device, unless you have the express authorisation of the Council of the Shire of Victoria Plains.

E – Disclaimer

It is the Presiding Member's responsibility to preserve order in the meeting and this can be more difficult in an eMeeting. Therefore, each Council Member must consistently and respectfully follow the Local Government's Meeting Procedures Local Law, any additional eMeeting guidance provided by the Local Government and support the Presiding Member in their conduct of the eMeeting.

The pace of an eMeeting should be slow and orderly. The following practices will help avoid confusion and support effective eMeetings:

Speak clearly and slowly, as connections may be distorted or delayed;

Always state your name to indicate to the Presiding Member that you wish to speak. Restate your name if the Presiding Member has not heard you at first;

In debate, only speak after the Presiding Member has acknowledged you. Then state your name, so that others know who is speaking;

Follow the Presiding Member's directions and rulings;

If you are unclear about what is happening in an eMeeting, immediately state your name to draw the Presiding Member's attention and enable you to then seek clarification from the Presiding Member;

Avoid looking for opportunities to call Points of Order; instead, politely and respectfully gain the Presiding Member's attention and explain any deviation from your Meeting Procedures, the Local Government Act or any other relevant matter.

Commonly used abbreviations	
AAS / AASB	Australian Accounting Standard / Australian Accounting Standards Board
BF Act	Bush Fire Act 1954
BFB	Bush fire brigade
CEO	Chief Executive Officer
CDO	Community Development Officer
DBCA	Dept of Biodiversity, Conservation and Attractions
DFES	Dept of Fire and Emergency Services
DPLH	Dept of Planning, Lands and Heritage
DWER	Dept of Water and Environmental Regulation
EHO	Environmental Health Officer
EFT	Electronic Funds Transfer
FAM	Finance and Administration Manager
JSCDL	Parliamentary Joint Standing Committee on Delegated Legislation
LEMA	Local Emergency Management Arrangements
LEMC	Local Emergency Management Committee
LG Act	Local Government Act 1995
LGGC	WA Local Government Grant Commission
LPP	Local Planning Policy
LPS	Local Planning Scheme
MOU	Memorandum of Understanding
MRWA	Main Roads WA
NNTT	National Native Title Tribunal
OAG	Office of Auditor General
OCM	Ordinary Council Meeting
PTA	Public Transport Authority
RRG	Regional Roads Group
RTR	Roads to Recovery
SAT	State Administrative Tribunal
SEMC	State Emergency Management Committee
SGC	Superannuation Guarantee Contribution
SJAA	St John Ambulance Association
SWALSC	South West Aboriginal Land and Sea Council
WAEC	WA Electoral Commission
WALGA	WA Local Government Association
WSM	Works and Services Manager
WSFN	Wheatbelt Secondary Freight Network
EPA	Environmental Protection Authority
DPIRD	Department of Primary Industries and Regional Development
HCWA	Heritage Council of Western Australia
WAPC	Western Australian Planning Commission
WDC	Wheatbelt Development Commission

CONTENTS

AGENDA

Audit, Risk and Improvement Committee Meeting of the Victoria Plains Shire Council

To be Held in the Shire of Victoria Plains, Council Chambers, Calingiri, AND, via E-Meeting Protocol

on Wednesday 26 August 2026 commencing at 11:00 AM

1. DECLARATION OF OPENING

1.1 Opening

1.2 Announcements by Shire President

2. REMOTE ATTENDANCE BY ELECTED MEMBERS

THAT:

Under regulation 14C (2)(b) of the Admin Regulations, the Shire President can approve Elected Member attendance by electronic means;

In doing so, under r.14C (5) the Shire President must have regard as to whether the location that the Elected Member intends to attend the meeting, and the equipment intended to be used to attend the meeting, are suitable;

Electronic means includes, as per r.14CA(2) by telephone or video conference;

Suitable equipment would include an electronic device that can hold a Teams meeting, and perhaps, the use of headphones;

In accordance with r.14CA (5) the Elected Member must declare that they are able to maintain confidentiality during the meeting. Under r.14CA(7), the declaration by the Elected Member is recorded in the minutes of the meeting;

Summarily, according to Departmental guidance, a suitable location is one that is quiet and private e.g. a private room in your house. If there are other people at the location at the time of the meeting, an Elected Member may be required to close a door and wear headphones

APPROVAL TO ATTEND AND DECLARATION OF CONFIDENTIALITY

THAT Cr / has **APPROVAL** to attend the Audit, Risk and Improvement Committee Meeting held on via teleconference.

3. RECORD OF ATTENDANCE

Members present

Staff attending

Apologies Mr S Fletcher

Approved leave of absence N/A

Visitors

Members of the public

4. DISCLOSURES OF INTEREST

Refer – Local Government Act, Regulations, Code of Conduct, and Declaration Forms in Councillor folders.

Type Item Person / Details

5. PUBLIC QUESTION TIME

Refer – Local Government Act, Regulations, Local Law and Submission Form & Guidelines circulated.

5.1 Public Questions with Notice

5.2 Public Questions Without Notice

6 MINUTES OF MEETING

Officer Recommendation

That the minutes of the Audit, Risk and Improvement Committee Meeting held **29 April 2026** as circulated, be **CONFIRMED** as a true and correct record.

7. REPORTS REQUIRING DECISION

7.1 Updates on the Functions of the Audit, Risk and Improvement Committee

Nil

7.2 External Audits

7.2.1 Interim Audit 2025-26

File Reference	
Report Date	03 August 2026
Applicant/Proponent	Audit, Risk and Improvement Committee
Officer Disclosure of Interest	Nil
Previous Meeting Reference	Nil
Prepared by	Colin Ashe – Deputy Chief Executive Officer
Senior Officer	Sean Fletcher – Chief Executive Officer
Authorised by	Sean Fletcher – Chief Executive Officer
Attachments	1. Interim Audit 25-26 outcome email – Page 12

PURPOSE

To inform and update the Audit, Risk and Improvement Committee (ARIC) on the conduct and outcome of the interim audit 2025-26.

BACKGROUND

Factual and historical information and/or purpose. Provide any information to assist Council with actions and events and outcomes up to this point in time.

All paragraphs to align to the LH Margin, except for quoted extracts or when it is necessary to outline number paragraphs for reference.
The interim audit was conducted on site from 18 May 26 to 20 May 26 by the shires auditors William Buck Accountants and findings presented back to OAG. Correspondence on the (NIL) findings were provided back via email.

COMMENT

The auditors initially provided feedback on two issues whilst on site conducting the audit namely:

1. Prior year (2024-25) transaction regarding reimbursement of the HWS (Boiler) to the Calingiri Football Club indicating that whilst the reimbursement occurred in 2025-26, the work was actually carried out in 2024-25.

2. No actual contract in place for the shires EHO / PBS although there was demonstrated discussion and agreement on the renumeration amount.

After review by management of William Buck Accountants and OAG, neither item was considered material to be included on the interim audit report 25-26.

As a result, no audit findings have been noted and no management letter points have been raised.

An official letter or report is only provided where there are findings, hence the email as per attachment 1 is the only correspondence.

CONSULTATION

Mr Sean Fletcher, Chief Executive Officer

Ms Glenn Deocampo, Coordinator Financial Services

STATUTORY CONTEXT

Nil

CORPORATE CONTEXT

Audit, Risk and Improvement Committee Terms of Reference.

Strategic Business Plan/Corporate Business Plan

STRATEGIC PRIORITIES	WE KNOW WE ARE SUCCEEDING WHEN
4. CIVIC LEADERSHIP	
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance
	We have sound financial management policies and attract external funding to help achieve our goals
	Council is supported by a skilled team

Strategic Priority 4.3 - Management considers the tabling of these reports as good governance, transparency and identification of any significant issues.

Delegation

Nil

Policy Implications

Section 3 – Financial Management

Other Corporate Document

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
Compliance	Moderate (3) Short term non-compliance but with significant regulatory requirements imposed	Unlikely (2) The event could occur at some time	Moderate (6)	Operational Manager Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Ensuring frequent reviews reduces the residual risk to low.

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

Officer Recommendation

That the Audit Risk and Improvement Committee **RECEIVE** the outcome of the Interim Audit 25-26.

From: Milvert Ling
To: Colin Ashe; Ms Glenn Deocampo
Cc: Grace Ng
Subject: Status: Interim Audit
Date: Tuesday, 30 June 2026 8:26:39 AM

CONFIDENTIAL

Good morning Colin and Glenn

Happy new financial year in advance!

We have just heard back from the OAG regarding the status of the Shire's interim audit.

Following the OAG's review of our audit file, the interim audit is now complete, with no issues noted.

No Management Letter Points are raised for the interim audit.

I trust that you will be pleased with this outcome.

Please feel free to reach out if you have any questions.

Kind regards
Milvert

Milvert Ling
Accountant
Direct +618 6436 2811

Level 3 / 15 Labouchere Road
South Perth WA 6151
Telephone +61 8 6436 2888

Member of Praxity AISBL
Global Alliance of
Independent Firms

Liability limited by a scheme
approved under Professional
Standards Legislation

williambuck.com

William Buck App

7.3 Internal Audits

7.3.1 Internal Audits – Regulation 17 Internal Controls 25-26 Final Report

File Reference	
Report Date	03 August 2026
Applicant/Proponent	Audit, Risk and Improvement Committee
Officer Disclosure of Interest	
Previous Meeting Reference	Nil
Prepared by	Colin Ashe – Deputy Chief Executive Officer
Senior Officer	Sean Fletcher – Chief Executive Officer
Authorised by	Sean Fletcher – Chief Executive Officer
Attachments	1. Internal Controls Review Checklist Report 25-26 - Page 18

PURPOSE

To provide the Audit, Risk and Improvement Committee (ARIC) on a final report on the internal Controls Review related to Financial Management Systems in accordance with the Local Government (Audit) Regulations 1996.

BACKGROUND

Regulation 17 of the Local Government (Audit) Regulations 1996, requires the CEO to review the appropriateness and effectiveness of a local governments systems and procedures in relation to

(a) Risk management

(b) Internal Control

(c) Legislative Compliance

Not less than once in every 3 financial years.

At the Nov 25 ARIC, the committee was presented with Internal Controls Review Checklist Report which focused on nine (9) key areas for appropriateness and effectiveness of the shires systems and procedures being:

1. Petty Cash
2. Financial System Access Rights
3. General Journal Controls
4. Purchase Order Approvals

5. Employee Drivers Licence
6. Grants Register Controls
7. Portable Assets Register
8. Overheads Allocation
9. Cash Receipting

And this involved undertaking 48 tests within the targeted areas.

COMMENT

Internal Controls Review Checklist Report 25-26 highlighted findings that satisfactory, others that needed addressing immediately and those that the shire was working towards with an end date for completion.

Those items that the shire was working towards have now been completed and implemented as follows:

Control	Control Test	Planned Completion Date	Completed
Financial System Access Rights	System Access levels review	31 Dec 25	Yes
	Super-User access review	31 Dec 25	Yes
General Journals	Journals supported by documentation	31 Mar 26	Yes
	Independently reviewed and approved	31 Mar 26	Yes
	System generated journals identified and justified	30 Jun 26	Yes
Purchase Order Approvals	Amend policy to provide greater clarity	31 Mar 26	Yes
Employee Licences	Expiry dates tracked and verified	31 Jan 26	Yes
Grants Register	Centralised grants register maintained	28 Feb 26	Yes
	Grant income and expenditure reconciled monthly	28 Feb 26	Yes
Overheads Allocation	Methodology documented and approved	31 Mar 26	Yes
	Allocation drivers periodically reviewed	31 Mar 26	Yes
	Variances monitored and reviewed and adjusted	31 Dec 25	Yes
Cash Receipting	Procedures documented and followed	31 Jan 26	Yes
	Reconciliation	31 Jan 26	Yes

This now completes the process and final implementation of the Internal Controls Review 25-26.

CONSULTATION

Mr Sean Fletcher, Chief Executive Officer

Mrs Zoe Clayton, Chief Financial Officer

Ms Glenn Deocampo, Coordinator Financial Services

STATUTORY CONTEXT

Nil

CORPORATE CONTEXT

Audit, Risk and Improvement Committee Terms of Reference.

Strategic Business Plan/Corporate Business Plan

STRATEGIC PRIORITIES	WE KNOW WE ARE SUCCEEDING WHEN
4. CIVIC LEADERSHIP	
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance
	We have sound financial management policies and attract external funding to help achieve our goals
	Council is supported by a skilled team

Strategic Priority 4.3 - Management considers the tabling of these reports as good governance, transparency and identification of any significant issues.

Delegation

Nil

Policy Implications

Section 3 – Financial Management

Other Corporate Document

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
Compliance	Moderate (3) Short term non-compliance but with significant regulatory requirements imposed	Unlikely (2) The event could occur at some time	Moderate (6)	Operational Manager Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Ensuring frequent reviews reduces the residual risk to low.

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

Officer Recommendation

That the Audit, Risk and Improvement Committee Recommends Council **RECEIVES** the final update on the Internal Controls Review 25-26.

Internal Financial Controls Review 2025-26 Checklist

V – Visual, Pr – Procedure, Po – Policy, T – Transactions, FS - Financial System, CFR – CF Records, BP – Budget Process, MFS – Monthly Financial Statements, AFS – Annual Financial Statements, CF - CouncilFirst

1. Petty Cash Controls (Payroll / HR Officer)

Control Test	Evidence / Test Method	Findings / Comments	Risk Rating (L/M/H)	Action Required
Petty cash is maintained under an approved float limit.	V / Pr	Procedure indicates the amount approved float and maximum recoup. Hard copy provided by Officer appears to be an old version with no sign off and approved date.	L	Responsible Officer to update hard copy procedure that is on hand.
Petty cash is kept in a secure, locked location with restricted access.	V	Petty Cash is kept in the safe and key to the tin is kept separately. Key to the cash tin is under lock and key in location that is moved from time to time.	L	Controls are satisfactory. Responsible Officer advise D/CEO on location of the key should petty cash be required in an emergency (as the officer most likely to be regularly in the office).
All transactions are supported by receipts and approval signatures.	V / T	Receipts are provided and recipient employee signs voucher as evidenced cash has been received.	L	Recommend Issuing Officer also initial the voucher to indicate monies have been issued.
Petty cash is reconciled and replenished regularly by an independent officer.	V/Pr	Demonstrated process for recoup and advised reconciliation generally undertaken monthly regardless of submission of recoup vouchers.		CFS - review is clearly dated and that Petty Cash log is modified with a statement to say amount has been independently reviewed, counted and reconciled.

Control Test	Evidence / Test Method	Findings / Comments	Risk Rating (L/M/H)	Action Required
		Review of Petty Cash indicated anomalies of dates and instance of potentially Sep 25 not reviewed and counted by independent officer.	M	CFS - Ensure it is clear on the Petty Cash Log what month is being reconciled. There is no date except the sign off date.
No personal or ineligible expenses are reimbursed through petty cash.	V/ T	Receipts and vouchers reviewed are eligible transactions and employees of the shire.	L	Controls are satisfactory.

2. Financial System Access Rights (CFS / CFO/DCEO)

Control Test	Evidence / Test Method	Findings / Comments	Risk Rating (L/M/H)	Action Required
System access levels are based on role responsibilities and approved by management.	V / FS	Some staff have access to roles high than their need; this is a legacy of implementing a new financial system where requirements were immature. Approvals have occurred but needs reviewing.	M	CFO and CFS to review roles based on role guidelines provided by CouncilFirst and recommend for approval by 31 Dec 25.
Incompatible functions (e.g. PO approval and payment release) are segregated.	V / FS	Currently in place through the financial system which allows only specific roles to approve PO's and within the delegation limits.	L	Controls are satisfactory.

Control Test	Evidence / Test Method	Findings / Comments	Risk Rating (L/M/H)	Action Required
		Physical payments through the bank are only by signatories (CEO, DCEO and CFS).		
Access for terminated or transferred employees is removed promptly.	V/ Pr	Process is managed through email address so once turned off, no access can be gained. Managed through the off-boarding process and checklist. D/CEO authorises the process through tickets. Removal is undertaken externally through ICT provider and CouncilFirst system provider. Bank account access terminated through off boarding process and checklist.	M	Controls and satisfactory. Improvement that a sign off and date is actioned on the off-boarding checklist by Payroll / Records and IT (CSO IT Management) and finally by D/CEO. Implement immediately.
Administrator and super-user access is limited and reviewed quarterly.	FS	No Administrator access - this is held by external ICT providers. Super user needs to be reviewed as part of roles review.	M	CFO and CFS to review roles based on role guidelines provided by CouncilFirst and recommend for approval by 31 Dec 25.
Periodic access reviews are documented and signed off.	FS / Pr	Listing of roles is requested and reviewed annually and through the audit but no formal process exists.	M	CFO and CFS to review roles and develop procedure including frequency for sign off.

3. General Journal Controls (CFS)

Control Test	Evidence / Test Method	Findings / Comments	Risk Rating (L/M/H)	Action Required
All manual journal entries are supported by documentation and explanation.	CFR	Not all General Journals (GJ) had support and at best are in separate documents which can make it difficult to link together. CF Finance system appears to have capacity to load GJ support to the actual journal but the process is not clear or mature. There is no documented process as to which staff can undertake journals and control measures to ensure supporting documents have been captured.	M	Until such time as there is clarity on the capabilities of the CF Finance system can hold supporting documents, CF Records will be the single source of truth for GJ. All journals are required to be one document with the journal itself and supporting documentation. The journal page itself is to include additional information as an explanation for the journal where required. Implemented immediately and journals from 01/7/25 to be addressed by 30 Jun 26. Document process by 31 Mar 26.
Journal entries are independently reviewed and approved before posting.	CFR	The review and approval are inconsistent with some GJ's being approved and others not. There is not necessarily a process where authorised personnel are obtaining approval before processing. CF Finance System may have this electronic approval capability like PO's but needs further investigation.	M	All GJ require approval by D/CEO or by exception. Implemented immediately and journals from 01/7/25 to be addressed by 30 Jun 26 Document process by 31 Mar 26. Investigate CF Finance System capability to implement electronic approval and cost.

Control Test	Evidence / Test Method	Findings / Comments	Risk Rating (L/M/H)	Action Required
System-generated journals are clearly identified and justified.	CFR	Assessed as recurring GJ's which are system generated but do need to be set up. These GJ's whilst identified, do not have any documented justification apart from implied. Others are an obvious requirement such as salary packaging deductions but have no GJ approval process.	L	CFS / CFO to document a process that identifies the recurring journal and value threshold that can be approved by D/CEO. Once in place further approvals are not required but supporting document is. The process is to include where this is held In CF Records. In place by 30 Jun 26.
Journal access is restricted to authorised finance staff.	FS	Currently only CFO and CFS are authorised to undertake GJ's but this is not documented anywhere. CF Financial System will be able to restrict access and this will be applied as part of access controls review. Other staff may have access but unlikely to have the skillset to execute.	L	D/CEO to provide written authorisation for CFS and CFO to undertake GJ's and this is to be included as part of the procedure.
Periodic exception reports are reviewed by the CFO/Deputy CEO.	NIL	Currently there is no exception reporting for GJ's	L	Review the need for these once recommendations have been put in place.

4. Purchase Order Approvals (Creditors Officer)

Control Test	Evidence / Test Method	Findings / Comments	Risk Rating (L/M/H)	Action Required
Purchase orders are raised prior to commitment of expenditure.	FS	CF Finance is set up in accordance with SoVP Purchasing Policy which dictates when Purchase Orders (PO) are required to be raised.	L	Controls and satisfactory
Approvals align with delegated authority limits.	Po, FS	CF Finance is set up in accordance with purchasing delegation limits.	L	Controls are satisfactory
Quotes are attached to POs in accordance with Procurement Policy.	FS	CF Finance is set up in accordance with the purchasing policy and therefore does not allow processing of PO's without quotations attached as required.	L	Controls are satisfactory
Variations or retrospective POs are justified and approved.	FS	If a PO is required to be increased a conversation is undertaken as to why and if justified, PO can be increased. This follows the normal procedure of having to be reopened and approved by the appropriate delegate.	L	Controls are satisfactory
Monthly review of open/unreceipted POs is performed.	Pr	End of month procedure requires a review of all open PO's and stale commitments written back by the raising officer.	L	Controls are satisfactory though a minor amount of PO's appear to be stale and require closing.
Purchasing Cards	Po	Current policy could be improved with greater detail on allowable expenses and thresholds.	L	D/CEO to update policy and present to ARIC in first quarter of 2026.

5. Employee Drivers Licences (HR / Payroll Officer)

Control Test	Evidence / Test Method	Findings / Comments	Risk Rating (L/M/H)	Action Required
Employee driver's licences are recorded for roles requiring vehicle use.	V, CFR	Vehicle Drivers licences are captured as part of the employment process and checklist. Included in the personnel file of the employee and recorded in CF Records (secure)	L	Process and Control is satisfactory.
Licence expiry dates are tracked and verified annually.	V, FS Payroll	Currently no process or system in place but a facility has been found in CF Payroll and that is currently being undertaken. Some risk that personnel are operating vehicles and machinery unlicenced.	H	Undertake a review of all staff and obtain current drivers' licence which will be the baseline. Input this into CF Payroll module. Complete a process where reviews are taken in January and those expiring in that year are targeted to ensure currency is obtained. This could be through a visual inspection with sign off by Payroll Officer or actual copies. Implement by Jan 2026.
Copies of current licences are securely stored and accessible to authorised staff only.	FS Payroll	Personnel files which hold this information can only be accessed by authorised officers set up in CF Records. Limited to CEO, DCEO, CFO and Payroll / HR Officer.	L	Control is satisfactory.

Control Test	Evidence / Test Method	Findings / Comments	Risk Rating (L/M/H)	Action Required
Expired or missing licence records trigger HR follow-up.	FS Payroll	Currently there is no process in place for this to occur.	H	This will be addressed by the recommended process above.

6. Grants Register Controls (CFS / CDO)

Control Test	Evidence / Test Method	Findings / Comments	Risk Rating (L/M/H)	Action Required
A centralised grants register is maintained and regularly updated.	CFR	Grants register is in CF Records but appears not to have been updated.	M	Ensure grants register is updated to track new grant funding which serves for statistical purposes and management. There appears to be no record of grants in 25-26 and by default, no reconciliation being carried out. 28 Feb 26.
Each grant has a funding agreement, acquittal requirements, and responsible officer listed.	CFR	Major grants that have agreements are filed in contracts and agreements and extracts included in the Grants Program folder – particularly for financial management. CDO has responsibility to maintain and manage.	L	Controls are satisfactory.

Control Test	Evidence / Test Method	Findings / Comments	Risk Rating (L/M/H)	Action Required
Grant income and expenditure are reconciled monthly to the ledger.	MFS	Major project grants are reconciled through the Restricted Funding process. Minor grants require reconciliation between the CDO and CFS.	M	Reconciliation of minor grants required to ensure correct acquittal and ensure any liabilities are captured, potentially cash backed and carried forward. CDO / CFS to work together to implement a process by 28 Feb 26.
Acquittal reports are submitted on time and supported by evidence.	CFR	Major grants require audit and specific timing such as R2R, LRCI and RRG. DWER grants similarly have milestones and evidence requirements	L	Broadly controls are satisfactory with some process improvements on minor grants to be implemented.
Unspent funds or liabilities are accurately reported.	AFS / MFS	Reflected in the financial statements which are audited.	L	Controls are adequate.

7. Portable Assets Register (Creditors / Admin Officer)

Control Test	Evidence / Test Method	Findings / Comments	Risk Rating (L/M/H)	Action Required
All portable and attractive assets (e.g. laptops, cameras) are recorded in a register.	CFR	Attractive Items Register is held in CF Records updated and reviewed regularly.	L	Controls are satisfactory.
Each item is assigned an ID tag or barcode.	CFR	Serial numbers are recorded particularly for IT or electronic items. Items of furniture are not recorded with an ID as the list is small and the location is clear where it is held.	L	Controls are satisfactory.
Physical verification of assets occurs at least annually.	CFR	Last review and signed off May 25. Procedures in place to verify regularly.	L	Controls are satisfactory.
Missing or damaged assets are reported and investigated.	CFR	Undertaken as part of the review.	L	Controls are satisfactory.
Disposal of portable assets is approved and documented.	CFR	Disposal process in accordance with procedures and documented in Acquisitions and Disposals folder	L	Controls are satisfactory.

8. Overheads Allocation (CFS / CFO)

Control Test	Evidence / Test Method	Findings / Comments	Risk Rating (L/M/H)	Action Required
Overhead allocation methodology is documented and approved.	BP	Activity Based Costing (ABC) allocation is undertaken through the budget process and then loaded into the CF Finance system. Salaries also directly costed to programs through a percentage process. Public Works Overheads (PWOH) and Plant Operating Costs (POC) also undertaken through the budget process.	M	A review is required to be undertaken in 25-26 on allocations as this has not been undertaken for 2 years. CFS and CFO to complete by 31 Mar 26.
Allocations are consistent with budget and applied monthly.	MFS	Undertaken monthly through the monthly financial statements process. Variances are highlighted as part of this process.	L	Controls and satisfactory.
Allocation drivers (e.g. labour hours, direct costs) are reasonable and periodically reviewed.	MFS	Requires a review in 25-26	M	CFS and CFO to complete by 31 Mar 26
Overhead recovery variances are monitored and explained.	MFS	The 24-25 Annual Financial Statements did not highlight material variances however new reports are planned to monitor this.	L	CFO to develop the schedule 14 report for CFS to review 31 Dec 25.
Adjustments to allocations are reviewed and approved by mgmt.	MFS	Once the new monthly report on PWOH and POC is developed, this will be monitored by CFS and recommendations made to management for adjustment.	L	CFO to guide CFS on process to have this implemented in concert with report by 31 Dec 25.

9. Cash Receipting (CFS)

Control Test	Evidence / Test Method	Findings / Comments	Risk Rating (L/M/H)	Action Required
Are cash handling and receipting procedures documented and followed	Pr	There is a procedure for BPAY, EFT, End of Day etc. but no procedure for over-the-counter payments such as rent, photocopies, DoT payment etc. Whilst staff are practically doing this, there is some risk without a procedure, such as safety for cash handling, record keeping, ensuring receipts are provided etc.	M	Full documented procedure for all receipting by 31 Jan 26 ensuring this includes the process, why it done as well as the standard screen shots of the Financial System process.
Are all cash receipts promptly recorded and reconciled to deposits	CFR, V	Cash receipts are recorded including EFT / BPAY but may not be co-signed daily due to Officers WFH. Errors are picked up through the Bank Reconciliation but may be delayed.	M	Implement process improvement by 31 Jan 26 which includes staff sign off on EFT direct deposits. Daily receipting is scanned, saved in CF Records and provided to CFS for review and sign off.
Is segregation of duties maintained between receipting, recording, and bank Reconciliations	Pr, V	Receipting and recording is undertaken by front counter staff as a one step process. Bank Reconciliation is undertaken by CFS.	L	Controls are satisfactory.
Are daily reconciliations reviewed and approved by an authorised officer	Pr, V	CFS undertakes this process and returns to Front Counter staff where reconciliations are incomplete, have variances, not signed off etc.	L	Process will be improved as indicated from above actions.
Is cash securely stored prior to banking	V	Cash is stored daily in main safe and then smaller safe.	L	Controls are satisfactory.

Control Test	Evidence / Test Method	Findings / Comments	Risk Rating (L/M/H)	Action Required
Are discrepancies between receipts and deposits investigated promptly	V	Undertaken through bank reconciliation. Discrepancies even for $1 are raised and requested for remedial action.	L	Controls are satisfactory but improvements can be made through recommendations above.
Is the safe key code held securely and changed regularly.	V	Safe Key code has not been changed for a number of years and with changes in staff including resignations, poses a risk that many have this code.	H	Research process for changing code. Check with security contract on any specific advice before undertaking. Ensure safe key is not contained in this secure safe before testing and changing to ensure access is maintained. Document process including securely registering the new code and periodically changing this code at least once per year (Jan). Implement by 30 Nov 25.

Review Summary

There are a number of processes and controls in place and documented indicating the current internal controls are performing as they should and staff know, understand and follow the governance measures. Two control tests were considered high and need to be addressed quickly in order to reduce risk. Once in place and with ongoing monitoring, the measures recommended will mitigate this risk.

Sign-Off

Internal Controls Reviewed by: Colin Ashe Colin Ashe

Position: D/CEO

Date: 31/10/25

Endorsed by (CEO): Sean Fletcher Sean P Fletcher

Date: 13/11/25

7.4 Risk Management

7.4.1 Insurance Protections – Councillors and ARIC members

File Reference	
Report Date	03 August 2026
Applicant/Proponent	Audit, Risk and Improvement Committee
Officer Disclosure of Interest	Nil
Previous Meeting Reference	Nil
Prepared by	Colin Ashe – Deputy Chief Executive Officer
Senior Officer	Sean Fletcher – Chief Executive Officer
Authorised by	Sean Fletcher – Chief Executive Officer
Attachments	1. FAQ Insurance protections update 25-26 - Page 34

PURPOSE

To inform the Audit, Risk and Improvement Committee (ARIC) on changes on insurance protections in common governance and legal scenarios, and what cover may apply when acting in an official capacity on behalf of council.

BACKGROUND

Councillors have historically had insurance cover under the shires public liability, professional indemnity and management liability protections. Traditionally, this would extend to council committees (of which councillors are members) and with the implementation of independent chairs for the ARIC, coverage is also extended to them.

Section 6.14A - Prohibitions on certain payments connected with legal matters was introduced by the Local Government Amendment Bill 2024 and Regulation 19D of the Local Government (Financial Management) Regulations 1996 provides details on what items are prohibited.

COMMENT

LGIS in their FAQ document (attachment 1) have indicated section 6.14A and Regulation 19D has not significantly limited councils ability to indemnify or insure councillors as the effects are relatively narrow in that it does not prevent a local government from paying for, insuring for, a councillors legal representation costs in most other circumstances.

The LGIS FAQ document provides a good and simple summary of what Regulation 19D prohibits a council from paying for or insuring against the regulation itself.

Finally the LGIS FAQ document provides guidance on what steps local governments should take now and this would include ARIC independent and normal members which includes ongoing training and active steps should be taken to avoid claims, litigation ana therefore risk.

CONSULTATION

Mr Sean Fletcher, Chief Executive Officer

STATUTORY CONTEXT

Section 6.14A of the Local Government Act 1995

Regulation 19D of the Local Government (Financial Management) Regulations 1996

CORPORATE CONTEXT

Audit, Risk and Improvement Committee Terms of Reference.

Strategic Business Plan/Corporate Business Plan

STRATEGIC PRIORITIES	WE KNOW WE ARE SUCCEEDING WHEN
4. CIVIC LEADERSHIP	
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance
	We have sound financial management policies and attract external funding to help achieve our goals
	Council is supported by a skilled team

Strategic Priority 4.3 - Management considers the tabling of these reports as good governance, transparency and identification of any significant issues.

Delegation

Nil

Policy Implications

Section 3 – Financial Management

Other Corporate Document

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
Compliance	Moderate (3) Short term non-compliance but with significant regulatory requirements imposed	Unlikely (2) The event could occur at some time	Moderate (6)	Operational Manager Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Ensuring frequent reviews reduces the residual risk to low.

FINANCIAL IMPLICATIONS

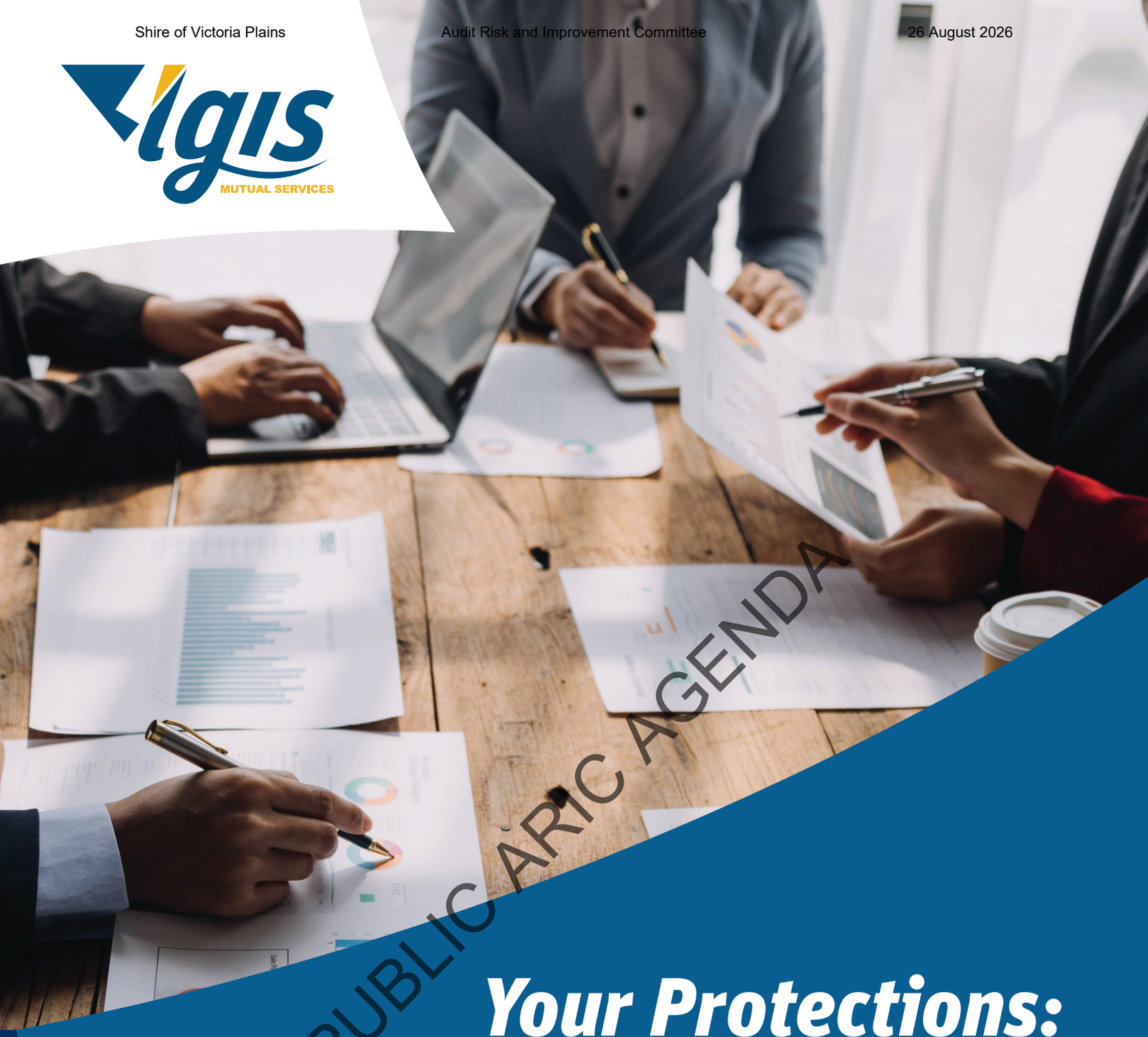
Nil

VOTING REQUIREMENTS

Simple Majority

Officer Recommendation

That the Audit, Risk and Improvement Committee **RECEIVES** the LGIS FAQ guidance for Local Government on changes to insurance protections of Councillors and ARIC members.



Your Protections: Audit, Risk and Improvement Committee and Reg 19D

A FAQ for Local Government

What's changing from 30 June 2026

Introduction

This FAQ (Frequently Asked Questions) provides practical guidance for councillors and Audit, Risk and Improvement Committee (ARIC) members on how LGIS protections typically respond in common governance and legal scenarios, and what cover may apply when acting in an official capacity on behalf of local council.

Recent regulations have been made under section 6.14A, including the introduction of targeted limits on what councils can pay for or insure. LGIS policy wordings will be updated to align with these prohibitions from 30 June 2026 at 4:00pm WST.

Are Audit, Risk and Improvement Committee (ARIC) members covered?

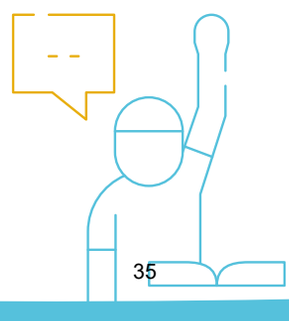
An ARIC is an advisory committee established by council to strengthen governance and oversight. The committee provides independent advice and scrutiny that supports council decision-making and accountability.

While historically committee members have often been councillors, recent reforms and best practice emphasise independent membership. Independent members must not be councillors of any local government. These independent members are part of a formal committee of council and like councillors, are offered protection under the various LGIS Protection policies.

Are councillors or ARIC members treated like employees for the purposes of workers' compensation?

No. Councillors and ARIC members do not meet the definition of "worker" under the *Workers' Compensation and Injury Management Act* (2023).

Personal Accident cover is typically used to provide limited benefits (for example, loss of earnings or capital benefits) where applicable.



What Scheme protections typically apply to councillors and ARIC members?

Councillors and ARIC members are generally included under the council's public liability, professional indemnity and management liability protections. Management liability cover is specifically designed to respond to governance, statutory breach and similar exposures. Policy wordings typically treat "member of any committee established by the council" as within scope, but cover is only triggered when the person is acting in an official capacity for and on behalf of the council.

How does management liability work for councillors?

Management liability policies commonly include a protection agreement whereby the Scheme will pay loss resulting from a claim first made during the period of protection against a covered person where the council has indemnified or agreed to indemnify that Loss. "Covered Person" expressly includes management committee members. Importantly, the policies operate only when the councillor is performing their official functions for the council.

What is section 6.14A of the Local Government Act 1995 (WA)?

Section 6.14A is a regulation-making power introduced by the Local Government Amendment Bill 2024. It enables regulations that can prohibit the use of local government resources, including insurance, for certain legal matters. The section itself does not directly prohibit particular uses; prohibitions arise only from regulations made under the section.

Have regulations under section 6.14A (regulation 19D) significantly limited councils' ability to indemnify or insure councillors?

No – the practical effect is relatively narrow.

> **Regulation 19D prohibits a local government from paying for, or obtaining insurance for, a specific list of items ordered against a council member.**

However, it does not prevent a local government from paying for, or insuring for, a councillor's legal representation costs in most other circumstances.
The reforms are therefore important but limited in scope.

What specific items does regulation 19D prohibit a council from paying for or insuring?

Regulation 19D prevents payment of, or insurance for, the following when ordered against a councillor:

- Costs of adjudication of conduct complaints (previously “minor breach” complaints);
- Costs of mediation of conduct or general complaints;
- Modified penalties under certain infringement notices;
- Fines for offences under the Local Government Act;
- Costs of State Administrative Tribunal (SAT) proceedings; and
- Exemplary or punitive damages awarded in civil proceedings before a court.

Will the new regulations affect other types of investigations or prosecutions?

The prohibitions are targeted and do not expressly bar councils from arranging indemnity or cover for most other proceedings. Areas of common concern include:

- WorkSafe investigations and prosecutions;
- Corruption and Crime Commission (CCC) investigations and prosecutions;
- Criminal proceedings generally;
- Investigations by the Local Government Inspector; and
- Defamation proceedings.

As a general observation, the regulations do not prevent indemnity for these categories, though exemplary or punitive damages remain excluded where specifically captured by regulation 19D.

How have complaint processes changed under the reformed Act and what does that mean for councillors?

Under the reformed Act, conduct breach complaints (formerly minor breach complaints) can be referred by the Local Government Inspector to an adjudicator who may require or recommend mediation and then determine the matter.

Does regulation 19D apply to council employees as well?

No. Regulation 19D applies only to elected members; it does not extend to employees.

How will the Scheme respond to regulation 19D?

The Scheme will amend policy wordings to align with the statutory prohibitions. Expect amendments to the definition of “loss” or to specific exclusions so that any costs, fines, penalties, damages or other amounts that fall within regulation 19D are expressly excluded from cover. These policy adjustments will take effect from 30th June 2026 at 4pm WST.

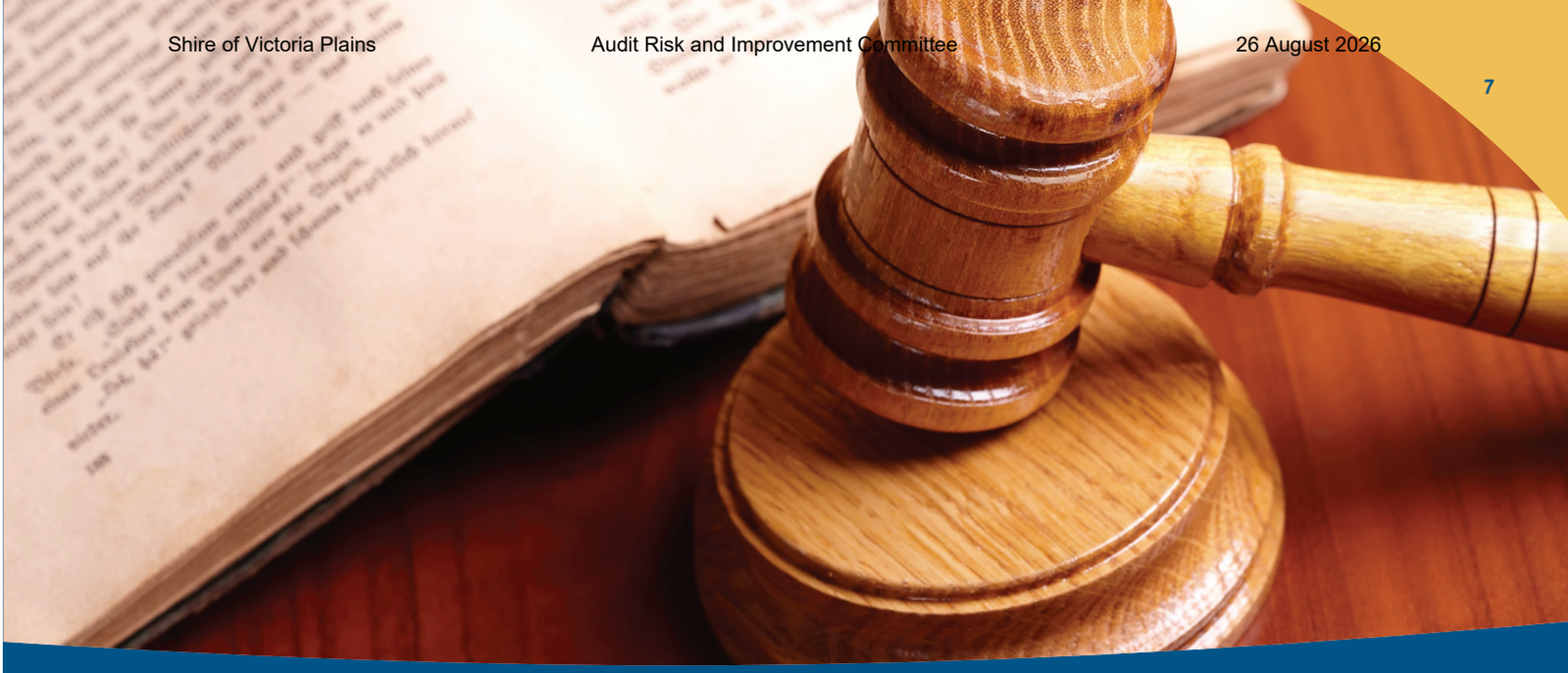
> **The Scheme does not cover risk that is prohibited by law and the exclusionary language is only added to provide clarity.**

What practical steps should local government take now?

Under the Local Government Act 1995 (WA), councillors represent the interests of their community, and must facilitate and maintain good working relationships with other councillors and the CEO. This includes developing the requisite skills to effectively perform their role.

Please consider the following:

- If a dispute arises, explore avenues for resolution through informal processes, which may involve discussions with the CEO or another officer.
- Where a complaint or legal proceeding arises, consider whether independent legal advice or representation is appropriate — in most cases these complaints can be handled without council or councillors incurring legal costs. and whether council indemnity will apply in the specific circumstances.
- Use induction and ongoing training to reduce the risk of complaints and breaches. Good governance and record-keeping materially reduce exposure to claims.
- Be aware of the specific items that councils may no longer lawfully pay for under regulation 19D.
- Keep in mind that insurance cover has limits and that, putting aside legal costs, disputes may have other implications including on personal reputation. Active steps should be taken to avoid claims and litigation.



If a councillor is named in a complaint or legal proceeding, can they obtain legal representation?

Yes. Councillors remain entitled to obtain legal representation. In many circumstances council indemnity or insurance will remain available. The narrow prohibitions in regulation 19D apply only to the specific list of costs and awards noted above.

LGIS recommends that elected members and employees endeavour to resolve issues internally where possible, using established council procedures and acting in good faith. This approach supports timely local resolution while preserving the option to escalate to external bodies where internal mechanisms are unsuccessful or unsuitable. This is in line with expectations set out in the Local Government (Model Code of Conduct) Regulations 2021.

What should be specified in indemnity letters or council resolutions?

When council agrees to indemnify a councillor, the indemnity should be clear and documented. Key items to address include scope of the indemnity (which proceedings and which costs), conditions (for example, requirement to cooperate with council, to disclose material facts), whether the indemnity is subject to council discretion, or if recovery rights apply against the councillor. Indemnities should be written to align with current statutory constraints.

Who can councillors contact for more information or to discuss individual matters?

Councillors should contact their council's CEO or governance officer in the first instance for any internal policy and indemnity questions. Your administration will contact LGIS for advice if further clarification is required.

lgiswa.com.au

7.4.2 Risk Management

File Reference	
Report Date	30 July 2026
Applicant/Proponent	Sean Fletcher, Chief Executive Officer
Officer Disclosure of Interest	Nil
Previous Meeting Reference	ARIC Minutes 25 March 2025 Item 7.5.2
Prepared by	Sean Fletcher – Chief Executive Officer
Senior Officer	N/A
Authorised by	Sean Fletcher – Chief Executive Officer
Attachments	1. 260730 Risk Register June Quarter 25/26 Page 46

PURPOSE

For the Audit, Risk and Improvement Committee to accept the June 2026 Quarterly Update for the Shire's Risk Register.

BACKGROUND

The Shire maintains a Risk Register to record and monitor key organisational risks and exposures. This is in addition to more detailed operational risk profiles and management controls that apply across the organisation.

The previous quarterly report was presented to the Audit, Risk and Improvement Committee for the March 2026 quarter and noted the inclusion of a new Emergency Management risk relating to fuel supply disruption, together with updates to existing risk treatments and linkages since the December 2025 quarter.

The June Quarter 2025/26 Risk Register provides the June 2026 quarterly review, including the change log, risk overview table, changes since the March 2026 report, mitigation action status and recommendation. The register identifies that the June 2026 update reflects the strengthening of Emergency Management risk EM1 due to the update of the Business Continuity Plan and the introduction of the Disaster Recovery Plan; strengthened governance controls for G1 to reflect new ARIC requirements; updates to Workforce Matters O3 to include the Workforce Plan and Leadership Competencies; and the adoption of the Water Strategy by Council during the quarter.

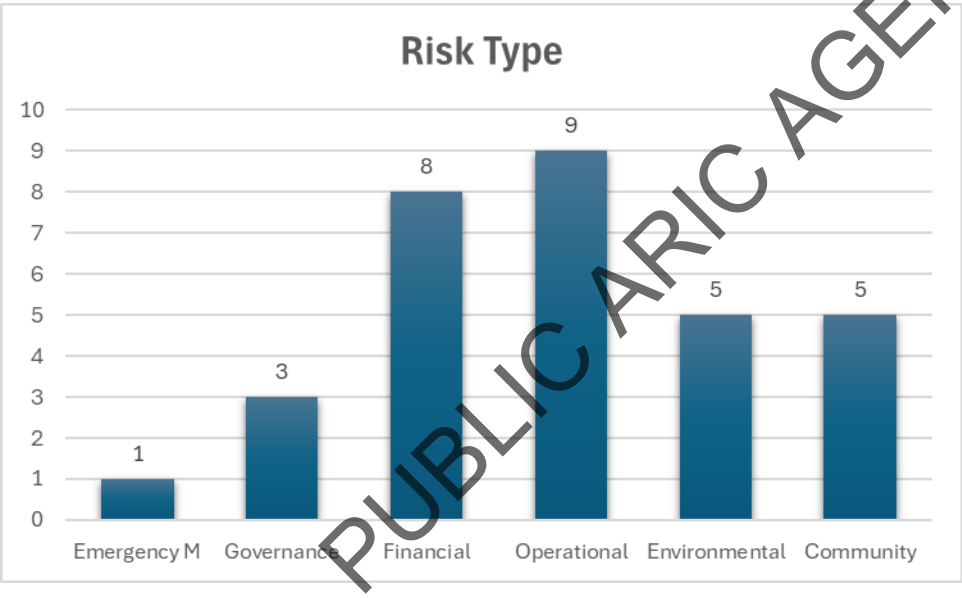
COMMENT

The June 2026 update reflects continued maturation of the Shire's risk management framework, with particular emphasis on controls that strengthen organisational resilience, business continuity, governance oversight and workforce capacity.
Key matters addressed in this quarter include:

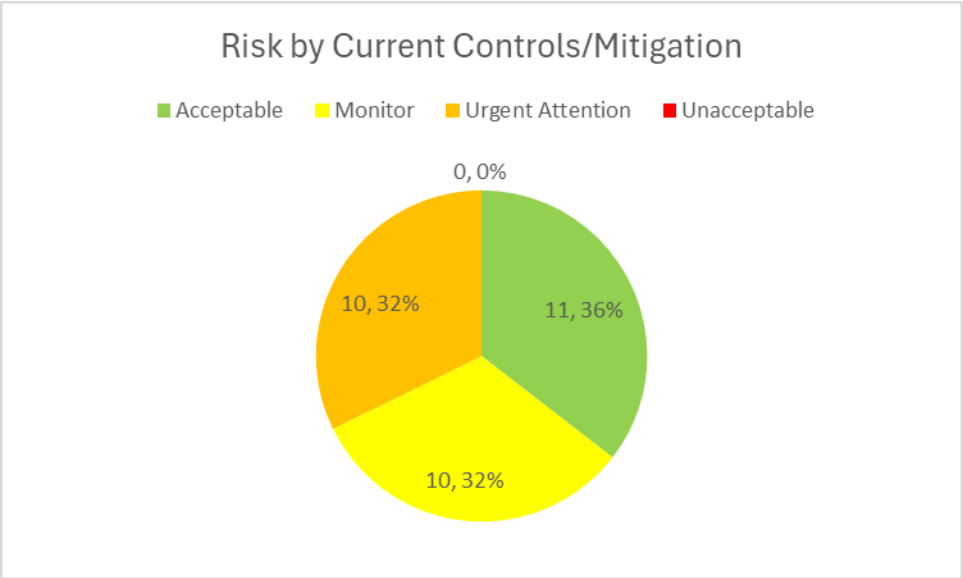
- Emergency Management and Business Continuity: EM1 has been strengthened to reflect the implementation of the Fuel Governance Plan, Business Continuity Plan, Emergency Management arrangements, regional and State advocacy, and the prioritisation of critical services. [
- Business Continuity and Disaster Recovery: O8 has been updated to reflect that the Business Continuity Plan has been adopted and implemented, supported by Disaster Recovery Plans covering ICT Disaster Recovery, Communications Recovery, Operational Resource Readiness, Fuel Governance Plan and Evacuation Centre Stand

Up arrangements.

- Governance and ARIC requirements: G1 has been strengthened to reflect new ARIC requirements, including appointment of a Deputy Presiding Member to the Presiding Member, updating of the Terms of Reference and development of the AI Framework.
- AI governance and cyber security: O2 has been updated to reflect that the AI Policy and Strategy have been drafted and reviewed by the Deputy Chief Executive Officer and Chief Executive Officer, and that Component 6 training for Staff and Council has continued.
- Workforce planning: O3 has been updated to include reference to the Workforce Plan nearing completion, the new LG Pro Leadership Competency Framework being implemented, and the broader attraction, retention, housing and regional alliance controls.
- Water security: EN3 has progressed following Council adoption of the Strategic Water Plan in April 2026, with the register now reflecting the adopted Strategic Water Plan and Action Plan, regional advocacy and infrastructure upgrades as current controls.
- Records management: O6 remains deferred to the 2026/27 financial year, with interim controls remaining in place.
- The Risk Overview Table provides a high-level snapshot of the Shire's current strategic, financial, governance and emergency management risks as at the June 2026 quarter. It highlights the assessed likelihood, consequence and overall risk rating for each key risk, together with the responsible officer.
- The Executive Summary dashboards included in Appendix One show the following distribution of risks by category: Emergency Management 1, Governance 3, Financial 8, Operational 9, Environmental 5 and Community 5. They also show the current control/mitigation status as Acceptable 11, Monitor 10, Urgent Attention 10 and Unacceptable 0.



Risk status by level of control is reported as:



Overall, while the Shire continues to operate within an acceptable risk appetite, several risks require ongoing monitoring and active management due to their potential impact on service continuity and organisational resilience.

CONSULTATION

The Risk Register is reviewed internally by the Chief Executive Officer and Senior Management Team as part of the Shire's quarterly governance and assurance processes. This approach is consistent with the consultation statement included in the March 2026 quarterly report.

STATUTORY CONTEXT

Local Government (Audit) Regulations 1996
Regulation 17 – Review of systems and procedures, including risk management.

CORPORATE CONTEXT

Strategic Business Plan/Corporate Business Plan

STRATEGIC PRIORITIES	WE KNOW WE ARE SUCCEEDING WHEN
4. CIVIC LEADERSHIP	
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance

The Risk Register supports the Shire's commitment to sound governance, financial sustainability and effective service delivery, and aligns with the Strategic Community Plan and Corporate Business Plan.

Delegation

Nil

Policy Implications

Enterprise Risk Management Policy.

Other Corporate Document

Nil

Risk Analysis

Failure to maintain and regularly review the Risk Register may expose the Shire to unmanaged organisational risks, compliance failures and adverse audit findings.

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
Compliance Failure to maintain and regularly review the Risk Register may expose the Shire to unmanaged organisational risks, compliance failures and adverse audit findings.	Moderate (3) Short term noncompliance but with no significant regulatory requirements imposed. Single moderate litigation or numerous minor litigations.	Possible (3) The event should occur at some time(20% chance) At least once in 3 years	Moderate (9)	Moderate Risk acceptable with effective controls, managed by senior management / executive and subject to semi-annual monitoring	The CEO and the SMT to monitor and advise AIRC/Council as required. The above should see the risk residual move to Low

FINANCIAL IMPLICATIONS

N/A.

VOTING REQUIREMENTS

Simple Majority

Officer Recommendation

That the Committee:

ACCEPTS the June 2026 Quarterly Risk Register, noting the strengthening of controls associated with Emergency Management, Business Continuity, AI governance, workforce planning and water security, and the updates made to existing risk treatments since the March 2026 quarter.

Risk Register

Shire of Victoria Plains Risk Register 2026

Risk Register (OverviewTable)

Change Log

The June 2026 update reflects strengthening of EM1 due to the update of the Business Continuity Plan and the introduction of the Disaster Recovery Plan. G1 also strengthened to reflect the new ARIC requirements. Workforce Matters (O3) has also been updated to include reference to the Workforce Plan and Leadership Competencies. EN3 Water Strategy – saw the Water Strategy adopted by Council in this quarter.

Ref	Risk Category	Description	LH	C	RR	Current Controls / Mitigation	Responsible Officer
EM1	Emergency Management	Failure or disruption of regional fuel supply impacting the Shire's ability to maintain essential services, emergency response capability, staff safety, and community access during emergency events	Possible	Major	High (12)	Fuel Governance Plan, Business Continuity Plan, Emergency Management arrangements, Regional/State advocacy and prioritisation of critical services	CEO
G1	Governance / Compliance	Failure to comply with statutory obligations (LG Act, WHS, Public Health, etc.)	Possible	Major	High (12)	Compliance calendar, Policy review, Periodic	CEO / DCEO

						training, Reporting, ARIC Amendments	
G2	Governance	Ineffective complaints handling or conduct committee failures	Unlikely	Major	Moderate (8)	New complaints committee chair, Office of Inspector 25/26	CEO
G3	Governance	Code of Conduct breach by elected members or staff	Possible	Major	High (12)	Codes adopted, training, delegated complaints process	CEO / PA
F1	Financial	Financial sustainability-insufficient revenue to maintain services	Likely	Major	High (16)	Long Term Financial Plan, budget controls, grant advocacy	CEO / Council
F2	Financial	Fraud, external theft, or misappropriation	Unlikely	Major	Moderate (8)	Segregation of duties, regular audits, cash handling protocols	DCEO / Finance Coordinator
F3	Financial	Loss due to purchasing card misuse	Possible	Major	High (12)	Policy controls, dual sign-off, training, monthly review	DCEO / Finance Coordinator

F4	Financial	Deficit funding risks-over-expenditure without matching grants	Possible	Major	High (12)	Budget policy, approval thresholds, periodic budget reviews	DCEO
F5	Financial	Delay/failure in rate collection or major debtors	Unlikely	Major	Moderate (8)	Early intervention, debt recovery delegated authority	DCEO / Finance Coordinator
F6	Financial	Asset impairment or underfunded renewal backlog	Possible	Major	High (12)	Asset Management Plan, capex planning, scheduled reviews	MWS / DCEO
F7	Financial	Loss from inadequate disaster funding/insurance (post-event) * EM1 (Fuel Disruption)	Rare	Catastrophic	High (10)	Insurance review policy, DLGSC/DFES advocacy	CEO / DCEO
F8	Financial/Strategic	Management of energy transition projects (solar, wind, ESA expansion)	Possible	Moderate	Moderate(6)	Advocacy and risk assessment; partnerships; due diligence. Shire is now a part of the Community Benefits Pilot Program. Also	CEO / Council

						includes advocacy re North CEL	
O1	Operational - Asset/Infrastructure	Failure to maintain assets-roads, buildings, plant	Unlikely	Major	Moderate(8)	Maintenance schedule, Asset Management Strategy, local heritage plan	MWS / PSUB/ DCEO
O2	Operational - IT & Systems	Cyber security/data breach/AI – threats and opportunities	Possible	Major	High (12)	IT security framework in place, Disaster recovery plan implemented, staff training, AI Policy, Strategy & Procedures drafted	DCEO / SMT/ IT Provider
O3	Operational - Workforce	Inability to attract/retain skilled/qualified staff	Likely	Major	High (16)	Attraction & Retention Plan, Workforce Plan, LG Pro Leadership Competency Framework, CPD, housing strategy and regional alliances.	CEO / DCEO / PO

O4	Operational - Procurement	Contractor/third-party performance or compliance risk	Possible	Major	High (12)	Contractor management procedures, WALGA guidelines	MWS / CEO
O5	Operational - Purchasing/Supply	Untimely procurement resulting in business disruption	Unlikely	Major	Moderate(8)	Prequalified supplier lists, tender process reviews	DCEO / Finance Coordinator
O6	Operational - Document Mgmt	Failure of records retention or disposal obligations	Likely	Moderate	High (12)	Ongoing review, disposal policy, DCEO project due 2026	DCEO / RO / SMT
O7	Operational - WHS	Work health and safety incident- employee, volunteer, or contractor * EM1 – Fatigue, stress during prolonged events	Possible	Major	High (12)	WHS policy, contractor framework, regular reporting	CEO / WHS Officer
O8	Operational - Business Continuity	Significant service disruption- emergency or IT failure	Possible	Major	High (12)	Business Continuity Plan adopted and implemented. Supporting Disaster Recovery Plans established, including ICT Disaster Recovery,	DCEO / SMT

						Communications Recovery, Operational Resource Readiness, Fuel Governance Plan and Evacuation Centre Stand Up arrangements. Annual review and testing program in place	
O9	Operational - Project Delivery	Failure to deliver major projects on time/budget	Unlikely	Major	Moderate(8)	Major projects register, monthly tracking, quarterly reporting	MWS / DCEO
EN1	Environmental	Bushfire event impacts-people, property, native habitat	Possible	Catastrophic	Extreme (20)	Bushfire Risk Management Plan, LEMC, DFES grants, firebreaks	CESM / EMO/ BRMC
EN2	Environmental	Environmental degradation-salinity, weed invasion, biodiversity loss	Possible	Major	High (12)	Biodiversity Strategy, NRM engagement, roadside weed control	PEHO

EN3	Environmental	Water security-failure to secure potable/non-potable resources	Possible	Major	High (12)	Adopted Strategic Water Plan and Action Plan, regional advocacy and infrastructure upgrades.	MWS / PEHO
EN4	Environmental	Failure to manage waste compliance, PFAS, or landfill impact	Unlikely	Major	Moderate(8)	Waste Plan, regional partnerships, environmental monitoring	PEHO
EN5	Environmental	Inadequate climate change adaptation-flood, drought, heatwave	Unlikely	Major	Moderate(8)	Inclusion in strategic planning, regional collaboration	CEO / PEHO
C1	Community / Social	Loss of reputation/community trust (service failure/incidents/communications)	Unlikely	Major	Moderate(8)	Community engagement framework, Comms plan, quarterly reporting	CEO / PA / CDO
C2	Community / Social	Inadequate community engagement leading to non-alignment with needs	Possible	Moderate	Moderate(6)	Engagement policy, practice	CEO / CDO

						review, regular surveys	
C3	Community / Social	Failure in child/vulnerable person protection	Unlikely	Major	Moderate(8)	Child Safe Awareness Policy, staff training, screening	CEO / MD/ CDO
C4	Community / Social	Volunteer fatigue/decline in capacity	Likely	Moderate	High (12)	Volunteer induction, event recognition, support programs	CEO / CDO/ CESM
C5	Community / Social	Population decline affecting viability of schools/services	Possible	Moderate	Moderate(6)	Advocacy and community development support	CEO / Council

Table Explained

This register synthesises both strategic and operational risks, drawing directly from the Shire's current risks, sector-accepted best practice, and the current rural WA local government landscape[14]. Risks are prioritised by the potential impact and likelihood as codified in the sector's matrices (see previous sections for rating system detail). They are nuanced for the Shire's context: for example, environmental risks explicitly address salinity, water security, bushfire, and climate adaptation-challenges especially acute in the Wheatbelt[15].

Where risk mitigation is in-progress or not yet fully effective, clear actions are outlined. All risks are linked to named officers, ensuring accountability is embedded at both management and operational levels, consistent with sector frameworks and the WA Risk Register Tool's requirements on owner allocation[9].

Legend:

LH: Likelihood

C: Consequence

RR: Risk Rating

SMT: Senior Management Team

CEO: Chief Executive Officer

DCEO: Deputy CEO

MWS: Manager of Works & Services

CDO: Community Development Officer

PO: Payroll Officer

PEHO/PBus: Principal Consultatnt Health and Building

CESM: Community Emergency Services Manager

BRMC: Bushfire Risk Mitigation Coordinator

ESO: Emergency Support Officer

MD: Manager Development (Community, Economic & Regulatory Services)

WHS: Work, Health, Safety

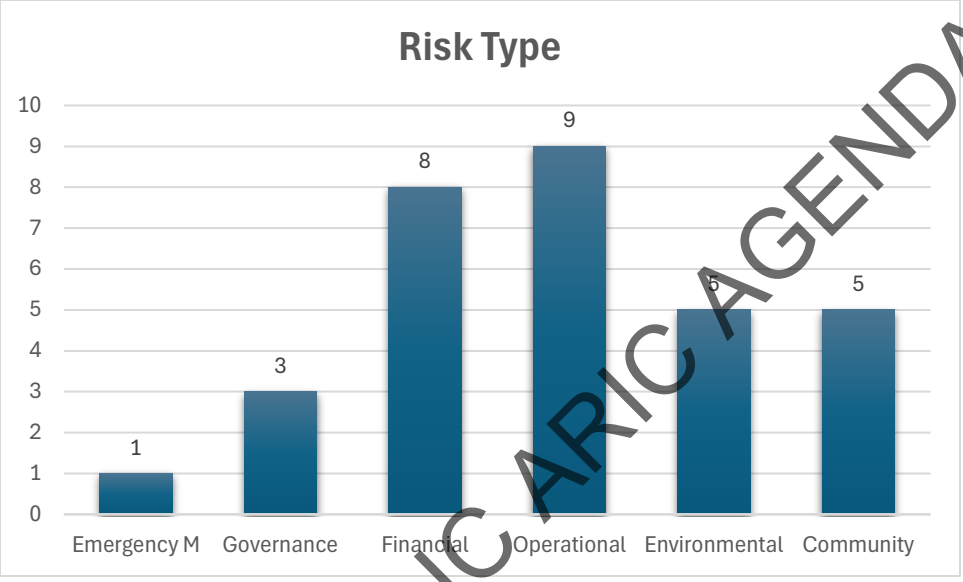
Risk Acceptance Criteria			
Risk Rank	**Description**	**Criteria**	**Responsibility**
LOW	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Supervisor / Team Leader
MODERATE	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Service Manager (e.g. DCEO, MWS, PBuS, CESM)
HIGH	Urgent Attention Required	Risk acceptable with effective controls, managed by senior management / executive and subject to monthly monitoring	Executive Team (SMT)
EXTREME	Unacceptable	Risk generally not acceptable	CEO & Council

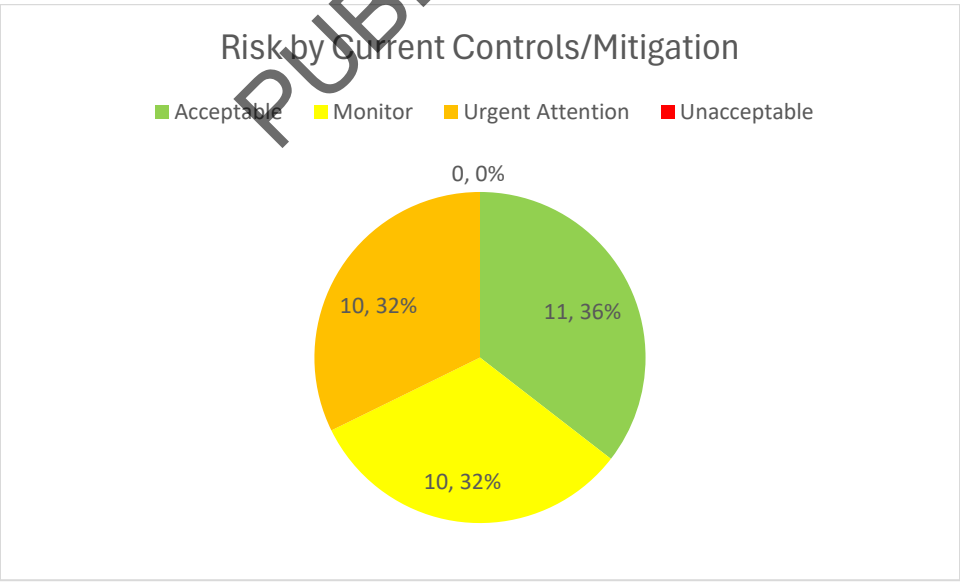
Appendix One: March Report

Risk Register Report

Executive Summary

The following is an overview of key risks, new or escalating risks, and overall risk exposure:





Notes to Dashboards

The Risk Type has changed to include new type: Emergency Management. The Risk by Current Controls/Mitigation has therefore increased regarding the Urgent Action category by one..

Risk Overview Table

The Risk Overview Table provides a high-level snapshot of the Shire's current strategic, financial, governance, and emergency management risks as at the June 2026 quarter. The table highlights the assessed likelihood, consequence and overall risk rating for each key risk, together with the responsible officer. This quarter's review reflects a period of heightened external volatility, including regional emergency management pressures, and reflects strengthened controls associated with Emergency Management risk EM1, including implementation of the Business Continuity Plan and supporting Disaster Recovery Plans. Overall, while the Shire continues to operate within an acceptable risk appetite, several risks require ongoing monitoring and active management due to their potential impact on service continuity and organisational resilience.

Changes Since Last Report (March 2026)

New risk added

- Nil

Risk linkages updated

- Nil

Governance risk update

- G1 (Governance & Compliance). ARIC strengthened with appointment of Deputy Presiding Member to the Presiding Member, updating of Terms of Reference and development of AI Framework.
- G3 (Codes of Conduct) has been updated to reflect the requirement to adopt updated Codes by 31 March 2026, with controls amended accordingly.

Operational risk treatment adjustment

- O2 (Cyber Security/AI). The AI Policy and Strategy has been drafted and reviewed by DCEO and CEO. Component 6 Training for Staff and Council has continued.
- O3 (Workforce). The Workforce Plan is nearing completion (Due September 2026) and the new LG Pro Leadership Competency Framework is in the process of being implemented.
- O6 (Records Management) review has been deferred to the 2026/27 financial year, with existing controls remaining in place in the interim.
- O8 (Business Continuity). The Shire's Business Continuity Plan and associated Disaster Recovery Plans have been completed and implemented. This includes Communications Recovery,

Operational Resource Readiness, Fuel Governance and Evacuation Centre arrangements, strengthening the Shire's preparedness for service disruption and emergency events.

Environmental risk progression

- EN3 (Strategic Water Plan) was adopted by Council - April 2026.

Overall position

- No other material changes to risk ratings have been identified since the March 2026 quarter.

Mitigation Actions

The following is a summary of progress on mitigation plans and any issues encountered:

Risk ID	Description	Likelihood	Impact	Status	Owner	Mitigation Progress
EM 1	Fuel disruption or failure	Possible	High	Open	CEO	• Action Plan implemented • Reporting to State Controller and DEED in place
G2	Ineffective complaints handling or conduct committee failures	Unlikely	Moderate	Open	CEO	• Chair Appointed by Council Oct 2025 • Multiple Behaviour Complaints or Serious Complaints go to the Inspector
G3	Code of Conduct Breach by Elected Members or Staff	Possible	Major	Open	CEO/Council	• Code of Conduct due by 31 March 2026 was adopted April 2026 • Staff Code of Conduct updated to reflect Staff Secondary Employment
F1	Financial sustainability-	Likely	Moderate	Open	CEO/Council	CEO/President are part of

	insufficient revenue to maintain services					ALGA/WALGA Advocacy re Local Government Funding Models
F4	Deficit funding risks-over-expenditure without matching grants	Possible	High	Open	DCEO	• Deficit 25/26 is $332,639 • Budget savings are reviewed monthly
F6	Asset impairment or underfunded renewal backlog	Possible	High	Open	MWS/DCEO	• Loan for two graders March 2026 • 2023 models $200,000 off
F8	Management of energy transition projects (solar, wind, ESA expansion)	Possible	Moderate	Open	CEO/Council	• President, Council & CEO meet regularly with PoweringWA & Western Power • CEO is working with PoweringWA re Community Benefits Engagement Sessions
O2	Cyber security/data breach/AI – threars and opportunities	Possible	Major	Open	DCEO/SMT/IT Provider	• CEO has attended AI Training • DCEO has implemented Component 6 AI training for Staff and Council
O3	Inability to attract/retain skilled/qualified staff	Likely	Major	Open	CEO, DCEO, PO	• Edmonds Street Development in full swing • New Workforce Plan scheduled for adoption September 2026
O6	Failure of records	Likely	Moderate	Deferred	DCEO / RO / SMT	• Review of Records

	retention or disposal obligations					Keepig Plan deferred 26/27 • Interim Controls remain effective
O7	Work health and safety incident-employee, volunteer, or contractor	Possible	Moderate	Open	CEO/WHS Officer	**Tier 1 Action Plan:** CEO and WHS Committee has approved: • Hazard Management and Consutaltion & Communication procedures • Contractor Management Plan
EN2	Environmental degradation-salinity, weed invasion, biodiversity loss	Possible	Major	Open	PEHO	Environmental Steering Group in place and has held its forst meeting.
EN3	Water security-failure to secure potable/non-potable resources	Possible	Major	Open	MWS/PEHO	• Council satisfied with Water Strategy and its Action Plan • Water Strategy adopted April 2026
C1	Loss of reputation/ community trust (service failure/ incidents/ communications	Major	Moderate	Open	CEO/PA/CDO	• Community Reference Panel established • Also aligns with C2

Recommendations

That the Audit, Risk and Improvement Committee accepts the June 2026 Quarterly Risk Register, noting the strengthening of controls associated with Emergency Management, Business Continuity, AI

governance, workforce planning and water security controls, and the updates made to existing risk treatments since the March 2026 quarter.

Sean Fletcher
Chief Executive Officer

7.5 Controls, Systems and Procedures

7.5.1 Shire of Victoria Plains Artificial Intelligence (AI) Policy

File Reference	
Report Date	12 August 2026
Applicant/Proponent	Audit, Risk and Improvement Committee
Officer Disclosure of Interest	Nil
Previous Meeting Reference	Nil
Prepared by	Colin Ashe – Deputy Chief Executive Officer
Senior Officer	Sean Fletcher – Chief Executive Officer
Authorised by	Sean Fletcher – Chief Executive Officer
Attachments	1. SoVP Artificial Intelligence (AI) Policy - Page 67

PURPOSE

To seek endorsement from the Audit, Risk and Improvement Committee (ARIC) to recommend Council adoption of the Shire of Victoria Plains Artificial Intelligence (AI) Policy.

BACKGROUND

Artificial Intelligence (AI) technologies are becoming increasingly integrated into business operations across both the public and private sectors. AI has the potential to improve productivity, enhance service delivery, support informed decision-making, strengthen organisational resilience and assist in the delivery of strategic outcomes for the community.

The Shire of Victoria Plains has already commenced the use of AI-enabled technologies within approved systems and recognises that adoption is likely to increase as the technology matures and becomes embedded in existing software platforms. While AI presents opportunities to improve efficiency and service delivery, it also introduces risks associated with privacy, security, records management, bias, accountability and the handling of confidential information.

At present, the Shire does not have a formal policy setting out the principles, governance arrangements, responsibilities and controls relating to the use of AI. The proposed Artificial Intelligence Policy has been developed to provide a clear framework for the safe, lawful and responsible use of AI by employees, contractors and elected members.

The Policy establishes governance arrangements, defines approved and prohibited uses, outlines risk management requirements, identifies responsibilities across the organisation, and provides guidance regarding the use of enterprise and non-enterprise AI tools. The Policy also reinforces existing obligations relating to privacy, records management, cybersecurity and information governance.**COMMENT**

The proposed Artificial Intelligence Policy adopts a principles-based and risk-based approach to the use of AI within the Shire. The Policy recognises that AI should support, but not replace, professional judgement and decision-making. It also establishes appropriate safeguards to ensure that confidential, personal, commercial and sensitive information is appropriately protected.

The Policy prioritises the use of approved enterprise tools operating within the Shire's existing security environment, particularly Microsoft 365 and Microsoft Copilot, while establishing requirements for the assessment and management of higher-risk AI applications.

Importantly, the Policy acknowledges that AI technology is evolving rapidly and provides flexibility through the use of an Approved AI Tools Register, allowing management to update approved technologies without requiring amendments to the Policy itself.

The adoption of the Policy will provide staff, contractors and elected members with clear expectations regarding acceptable use of AI and will ensure the Shire remains well positioned to leverage emerging technologies while maintaining appropriate governance and risk controls.

CONSULTATION

Mr Sean Fletcher, Chief Executive Officer

All Staff, Contractors and Elected Members

STATUTORY CONTEXT

NIL

CORPORATE CONTEXT

Audit, Risk and Improvement Committee Terms of Reference.

Strategic Business Plan/Corporate Business Plan

STRATEGIC PRIORITIES	WE KNOW WE ARE SUCCEEDING WHEN
4. CIVIC LEADERSHIP	
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance
	We have sound financial management policies and attract external funding to help achieve our goals
	Council is supported by a skilled team

Strategic Priority 4.3 – AI is increasing and staff need to ensure their skillset remains current whilst maintaining guardrails on its use.

Delegation

Nil

Policy Implications

It is recommended this policy be added to Council Policy Manual Part 02 Administration

Other Corporate Document

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
Compliance	Moderate (3) Short term non-compliance but with significant regulatory requirements imposed	Unlikely (2) The event could occur at some time	Moderate (6)	Operational Manager Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Ensuring frequent reviews reduces the residual risk to low.

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority

Officer Recommendation

That the Audit, Risk and Improvement Committee **RECOMMENDS** to council to:

1. **Adopt** The Shire of Victoria Plains Artificial Intelligence (AI) Policy.
2. **Authorises** the Chief Executive Officer to make minor administrative amendments to the Policy that do not materially alter the intent of the Policy.
3. **Notes** that the Approved AI Tools Register may be updated from time to time by the Chief Executive Officer in accordance with the Policy.

Artificial Intelligence (AI) Policy

Date Aug 2026
Version 1.0

Purpose

This Policy establishes the principles, responsibilities and governance arrangements for the safe, lawful and responsible use of Artificial Intelligence (AI) within the Shire of Victoria Plains.

The Shire does not adopt AI for its own sake. AI is used as a practical capability to strengthen organisational resilience, support decision-making, improve service delivery and enhance the Shire's ability to secure economic opportunities for long-term prosperity.

Scope

This Policy applies to all employees, contractors and elected members, all AI tools and systems used by the Shire, and all third-party platforms incorporating AI.

Policy Principles

Principle	How it is lived
Human-Centred Use	AI supports but does not replace human judgement.
Transparency	AI use will be disclosed and outputs explainable.
Privacy and Data Protection	Must comply with WA privacy laws.
Records and Accountability	Must comply with State Records requirements.
Fairness	Avoid bias and ensure equitable use.
Security	Align with cyber security requirements.
Community Benefit	Deliver improved outcomes for the community.

Approved and Prohibited Use

Approved: Use only approved tools, avoid use of **Confidential** information where controls are not in place, review outputs.
Prohibited: No data classified as **Confidential** in unapproved tools, no automated decisions without oversight.

Roles and Responsibilities

Role	Responsibilities
CEO	Accountable for ensuring appropriate governance arrangements, procedures, training, guidance, technology controls and management oversight mechanisms are established to support compliance with this Policy. Retains overall accountability for implementation of the Policy and the responsible use of AI across the organisation.
Executive	Approve AI use cases and ensure alignment with strategic objectives
ICT/Governance	Maintain approved tools, controls, and the AI use register
Staff and Contractors	Use AI responsibly in accordance with this policy, including: - using approved tools only

Role	Responsibilities
	- reviewing outputs before use - not entering information classified as OFFICIAL Sensitive into non-enterprise tools - complying with records, privacy and security requirements - this applies to contractors once they are logged onto to Shire of Victoria Plains network and they are expected to act, behave and apply shire AI policy as if they were employees.
Councillors	As councillors are not employees or contractors, but do have access to public and confidential information, it is expected, they will use the approved AI tools available through the secure log on (with their shire email) on the shire network and accordingly, this AI Policy equally applies. Should AI generated output be inappropriately used or inaccurate, the shires code of conduct policy may apply. See definitions section for further information.

Risk Management

AI use within the Shire will be managed using a proportionate, risk-based approach.
The scenarios in which AI is to be used are to be considered broadly within the following categories:

- Low Risk: Internal productivity (e.g. drafting emails, summarising meetings, creating the first draft of internal documents, researching and bringing external information together, formatting information). All information that is stored in Shire systems must only be used in Shire approved and support AI tools. All publicly accessible information stored outside of Shire systems can be used in any AI tool, responsibly.
- Medium Risk: Public-facing content or advisory outputs
- High Risk: Decisions affecting individuals, finances, compliance or regulatory outcomes

All AI medium and high risk outputs must be:

- reviewed by a responsible staff member prior to reliance or publication
- documented where required within the AI use register
- If in doubt, seek management advice and direction

Higher risk uses may require Executive approval and additional controls.

Technology and Data Controls

AI tools must be governed through enterprise technology controls, including

- identity and access management
- an ongoing effort by the Shire to implement information governance, security and technology controls that enable the appropriate management of organisational information and support ever broader usage of safe AI
- retention and records management control

Where available, AI capability should be prioritised within:

- Microsoft 365 and existing Shire systems, to ensure security, compliance and data sovereignty

Use of Enterprise AI Tools (Microsoft 365 / Copilot)

AI capabilities provided within the Shire's Microsoft 365 environment (including Microsoft Copilot) operate within existing organisational security, access controls and data protection settings.
Staff may use these tools with Shire information appropriate to their role and existing access permissions. This includes the use of internal data, documents and information required to perform their duties.

However, Staff must continue to:

- exercise professional judgement when using AI outputs
- ensure information is handled in accordance with privacy, records and security obligations
- avoid inappropriate use of sensitive or restricted information
- review and validate outputs prior to use or dissemination

Use of Non-Enterprise and non-approved AI Tools

The Shire will maintain an Approved AI Tools Register identifying authorised AI tools that have been assessed for operational use. The register may be amended from time to time without requiring amendment to this Policy.

AI tools that are not approved or not operating within the Shire's enterprise environment must be treated as higher risk.

Staff must not input any information classified as **Confidential** including personal or citizen information, into such tools.

Where uncertainty exists, staff must treat information as **Confidential** and seek guidance from Management.

Training

The Shire will provide **targeted training and guidance** to ensure staff can:

- use AI safely and effectively
- understand risks and limitations
- apply AI in ways that support multi-skilling and workforce resilience

Compliance

All generative AI use must comply with the following:

- AI outputs are not authoritative and may be incomplete or incorrect
- outputs must be reviewed and validated by a human before use
- AI must support—not replace—professional judgement
- outputs must comply with records and information management obligations
- users must be aware of the potential for bias, error and unintended outcomes

Aligns with WA legislation including Local Government Act, Privacy, Records and FOI requirements.

Monitoring and Review

AI use and this Policy will be:

- reviewed annually, and
- updated in response to changes in technology, legislation, or organisational needs

Definitions

AI: Systems generating outputs based on data.

Confidential Information: Information requiring additional protection due to privacy, legal, employment, commercial, security, regulatory or governance considerations. Examples include personal information, complaints, legal advice, employment matters, confidential Council information, commercially sensitive information and information provided in confidence.

Division 4 under the Code of Conduct states: ***confidential document*** means a document marked by the CEO, or by a person authorised by the CEO, to clearly show that the information in the document is not to be disclosed.

If there is any doubt, advice should be sought from management before input into AI tools.

Approved AI Tools

As this technology in many respects is in its infancy but at the same time, evolving quickly, the Shire will take a conservative approach to ensure risk remains within tolerable levels.

Currently in Western Australian government (state and local) the only tool listed that meets PRIS for data that is essentially internal data is Microsoft Copilot.

Sherpai

deployment tool through Component6 as a partner of LG Professionals that IT teams use to enable safe AI adoption across their organisation. Delivered within Microsoft Teams, it gives IT control and visibility while empowering employees to discover AI opportunities within governed guardrails, reducing shadow AI adoption and informing strategic decisions.

Guidemai (Component6)

AI-assisted process design that helps teams optimise workflows with human expertise.

As future software develops, it will have an AI component available which will require assessment and then listed on the approved AI tools register for usage.

7.6 Matters of Compliance

7.6 .1 Compliance Audit Return 2025

File Reference	
Report Date	20/08/26
Applicant/Proponent	Department of Local Government, Sport and Cultural Industries
Officer Disclosure of Interest	Nil
Previous Meeting Reference	Nil
Prepared by	Candice Watson – PA to the CEO
Senior Officer	Sean Fletcher – Chief Executive Officer
Authorised by	Sean Fletcher – Chief Executive Officer
Attachments	Compliance Audit Return 2025 – Page 75

PURPOSE

As required under the Local Government (Audit) Regulations 1996, the Audit, Risk and Improvement Committee is requested to review the Compliance Audit Return (CAR) 2025 and recommend its adoption by Council.

BACKGROUND

Regulation 14 of the Local Government (Audit) Regulations 1996 requires every local government to carry out a Compliance Audit Return for the period 1 January to 31 December each year.

The 2025 CAR has been completed for the period 1 January 2025 to 31 December 2025 using the Local Government Inspectorate's online CAR portal and is presented to the Committee for review prior to consideration by Council. Following Council adoption, the CAR is to be signed by the President and Chief Executive Officer and submitted through the CAR Portal together with evidence of Council adoption.

COMMENT

The Compliance Audit Return for 2025 has been completed and reviewed by Administration.

The CAR contains a total of 85 compliance questions covering governance, delegations, disclosure of interests, procurement, elections, finance, integrated planning and reporting, local government employees and official conduct. Administration reviewed relevant Council records, registers, policies, procedures and statutory documents to determine compliance with the legislative requirements.

Audit Findings

Administration has assessed all applicable requirements and recorded responses within the CAR.

The audit identified no matters of non-compliance for the 2025 reporting period. All applicable questions were answered "Yes" and questions not relevant to the Shire's circumstances were answered "N/A". Relevant evidence was available to support the responses provided.

CONSULTATION

Mr Sean Fletcher, Chief Executive Officer

Mr Colin Ashe, Deputy Chief Executive Officer
Mrs Julie Klobas, Council Support Officer

Ms Glenn Deocampo, Coordinator Financial Services
Mrs Marie Freeman, Payroll/HR Officer

STATUTORY CONTEXT

Local Government (Audit) Regulations 1996

Regulation 14 - Compliance Audit Return to be reviewed by the Audit, Risk and Improvement Committee and reported to Council.

Regulation 15 - Following adoption by Council, the CAR is to be certified and submitted to the Local Government Inspectorate.

CORPORATE CONTEXT

Strategic Business Plan/Corporate Business Plan

STRATEGIC PRIORITIES	WE KNOW WE ARE SUCCEEDING WHEN
4. CIVIC LEADERSHIP	
4.3 Proactive and well governed Shire	External audits and reviews confirm compliance

Delegation
Nil

Policy Implications
Nil

Other Corporate Document
Where applicable, compliance has occurred with adopted Council policies.

Risk Analysis

Consequence	Consequence Rating:	Likelihood Rating:	Risk Rating	Risk Acceptance/ Controls	Mitigation and Outcome
Non-Compliance Not conducting CAR by 30 September 2026. Not addressing actions of non-compliance process with the Shire's communities.	**Extreme (5)** Non-compliance results in litigation, criminal charges or significant damages or penalties to Shire/Officers	**Likely (4)** Probably occur in most circumstances. At least once per year.	**Extreme (20)**	CEO & Council (Audit Committee) Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level of authority and subject to continuous monitoring.	With the implementation of Attain and continued monitoring of compliance actions the risk is kept Low.

FINANCIAL IMPLICATIONS

Nil

VOTING REQUIREMENTS

Simple Majority Yes

Officer Recommendation

That the Audit, Risk and Improvement Committee, in accordance with Regulation 14 of the Local Government (Audit) Regulations 1996, **RECOMMENDS** that Council:

1 **ADOPTS** the Compliance Audit Return 2025 as contained in Attachment 1; and
2 **NOTES** that Administration identified no matters of non-compliance for the period 1 January 2025 to 31 December 2025.

For _____ / Against _____

Local Government Inspector

GOVERNMENT OF WESTERN AUSTRALIA

2025 Compliance Audit Return

Local Government Authority: The Shire of Victoria Plains

Local Government Act 1995

s. 2.29

Has every person elected or appointed to a mayor, president, deputy, or councillor role made the required declaration in the prescribed form before a prescribed person, prior to acting in the office?

Response: Yes

s. 3.16

Has the local government reviewed local laws, which have not been reviewed in the previous 8 years, to ensure compliance with Schedule 9.3, Clause 65?

Response: Yes

Comments: March 2025 Council Resolution OCM2503-015

s.3.57

Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?

Response: N/A

s. 3.58(3)

Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)?

Response: N/A

s. 3.58(4)

Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4) of the Act, in the required local public notice for each disposal of property?

Response: N/A

s. 3.59(2)(a)

Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2025?

Response: Yes

Comments: December 2025

s. 3.59(2)(b)

Has the local government prepared a business plan for each major land transaction that was not exempt in 2025?

Response: Yes

Comments: December 2025

s. 3.59(2)(c)

Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2025?

Response: Yes

s. 3.59(4)

Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2024?

Response: Yes

s. 3.59(5)

During 2025, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?

Response: Yes

s. 5.16 (1)

Were all delegations to committees resolved by absolute majority?

Response: Yes

s. 5.16 (2)

Were all delegations to committees in writing?

Response: Yes

s. 5.17

Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995?

Response: Yes

s. 5.18

Were all delegations to committees recorded in a register of delegations?

Response: Yes

s. 5.36(4) and s. 5.37(3)

Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?

Response: N/A

s. 5.37(2)

Did the CEO inform council of each proposal to employ or dismiss senior employee?

Response: N/A

Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?

Response: N/A

s. 5.39B

Has the local government adopted and maintained model standards that incorporate the prescribed model standards within required timeframes (including amendments), ensured adoption by absolute majority, published an up-to-date version on its official website, and avoided including any inconsistent additional provisions?

Response: Yes

s. 5.42

Were all delegations to the CEO resolved by an absolute majority?

Response: Yes

Were all delegations to the CEO in writing?

Response: Yes

s. 5.43

Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995?

Response: Yes

s. 5.44(2)

Were all employees delegated authority by the CEO under Section 5.44(1), issued with a written instrument of delegation?

Response: Yes

s. 5.45(1)(b)

Were all decisions by the Council to amend or revoke a delegation made by absolute majority?

Response: Yes

s. 5.46

Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?

Response: Yes

Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2024/2025 financial year?

Response: Yes

Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19?

Response: Yes

s. 5.50

If the local government paid a finishing employee an amount in addition to their entitlement, did the local government follow a policy it had adopted and published on its website outlining the circumstances in relation to payments made to terminated employees?

Response: N/A

If the local government made a payment to a finishing employee that is more than the amount set out in the policy, was local public notice given?

Response: N/A

s. 5.51A

Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government?

Response: Yes

Has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?

Response: Yes

s. 5.67

Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?

Response: Yes

s. 5.68(2)

Were all decisions regarding participation approval in relation to Section 5.68(2), including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting?

Response: N/A

s. 5.69(5)

Were all decisions regarding participation approval in relation to Section 5.69(5), including the extent of participation allowed recorded in the minutes of the relevant council or committee meeting?

Response: N/A

s. 5.70

Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?

Response: Yes

s. 5.71B(5) and (7)

Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?

Response: N/A

Was any decision made by the Minister under section 5.71B(6) of the Local Government Act 1995, recorded in the minutes of the council meeting at which the decision was considered?

Response: N/A

s. 5.73

Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made?

Response: Yes

s. 5.75

Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?

Response: Yes

s. 5.76

Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2025?

Response: Yes

s. 5.77

On receipt of a primary or annual return, did the CEO, or the Mayor/President, as the case may be, give written acknowledgment of having received the return?

Response: Yes

s. 5.88

Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995?

Response: Yes

Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28?

Response: Yes

After a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person?

Response: Yes

Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?

Response: Yes

s. 5.89A

Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A?

Response: Yes

Did the CEO publish an up-to-date version of the gift register on the local government's website?

Response: Yes

s. 5.90A

Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?

Response: Yes

Comments: Policy 1.13 – Attendance at Events Policy

s. 5.94

Does the local government have information available for members of the public to inspect, free of charge as prescribed under section 5.94 and Admin Reg 29, except where restricted under this section?

Response: Yes

s. 5.96

Where a person is entitled to inspect information under this Division, can the local government confirm that copies are available and that the price at which it sells copies does not exceed the cost of providing them, (unless prescribed otherwise)?

Response: Yes

s. 5.96A

Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?

Response: Yes

s. 5.104

Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates that incorporates the model code of conduct?

Response: Yes

Did the local government adopt additional requirements in addition to the model code of conduct?

Response: N/A

Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website?

Response: Yes

s. 5.128

Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?

Response: Yes

Comments: COUNCIL POLICY MANUAL Section 1.12 Council Resolution No. 2203-05

s. 7.12A(3), (4) and (5)

Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?

Response: N/A

Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters?

Response: N/A

Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website?

Response: N/A

Local Government (Administration) Regulations 1996

r. 18F

Were the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995?

Response: Yes

r. 19AB

Does the code of conduct contain the requirement that a local government employee (not including the CEO) must not accept a prohibited gift from an associated person?

Response: Yes

r. 19AC

Does the local government's code of conduct include requirements for the recording, storing, disclosure, and use of information relating to gifts accepted by local government employees (excluding the CEO) from associated persons, in accordance with regulatory requirements?

Response: Yes

r. 19AE

Does the local government's code of conduct include requirements addressing employee behaviour in the performance of duties, interactions with others, use and disclosure of information, use of local government resources and finances, the keeping of records, and the reporting and management of suspected breaches and misconduct, in accordance with regulatory requirements?

Response: Yes

r. 19B

Did the local government include in its annual report all information required under section 5.53(2)(g) and (i) and regulation 3A(2), including number of employee's in salary bands over $130,000, remuneration and allowances paid, ordered payments, CEO remuneration, council member meeting attendance, available demographic information about council members, and details of any modifications to the strategic community plan or significant modifications to the corporate business plan?

Response: Yes

r. 19C

Has the local government adopted by absolute majority a strategic community plan?

Response: Yes

Adoption date or the date of the most recent review: 29/10/2025

r. 19DA

Has the local government reviewed its corporate business plan in accordance with Admin Regulation 19DA(4)?

Response: Yes

Date of review: 30/07/2025

Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?

Response: Yes

r. 22

No response required. This is covered by s5.75.

r. 23

No response required. This is covered by s5.76.

r. 28

No response required. This is covered by s5.88(1).

r. 28A

No response required. This is covered by s5.89A(1).

r. 29

No response required. This is covered by s5.94.

r. 29C

Does the local government publish all prescribed information on its official website— including up-to-date policies, required details of council member and employee returns, council member fees and allowances, and relevant public notices—within the specified timeframes and in accordance with legislative requirements?

Response: Yes

r. 35

Has every local government council member completed and passed the Council Member Essentials course, consisting of the five required modules and delivered by an approved provider, within 12 months of being elected?

Response: Yes

r. 36

Does the local government appropriately identify and document council members who are exempt from the training requirements under section 5.126(1), including verifying that the member:

- has completed an approved course within the specified 5-year period prior to election, or
- completed the LGASS00002 Elected Member Skill Set before 1 July 2019 within the relevant timeframe, or
- qualifies for the transitional exemption applicable to council members in office at the commencement of the 2019 regulatory amendments?

Response: N/A

Local Government (Audit) Regulations 1996

r. 10

Was the auditor's report for the financial year ending 30 June 2025 received by the local government within 30 days of completion of the audit?

Response: Yes

r. 17

Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2025?

Response: Yes

Date of council's resolution to accept the report: 26/11/2025

Local Government (Constitution) Regulations 1998

r. 11FA

Did the CEO provide the Minister a report as to the result of the election within 14 days of the declaration and in the form of Form 20 of the Local Government (Elections) Regulations 1997, modified as necessary?

Response: Yes

r. 13

Were all required oaths, affirmations and declarations under section 2.42 (in relation to Commissioners) made in the correct form (Form 8), before the appropriate authorised person?

Response: Yes

Local Government (Elections) Regulations 1997

r. 30G

Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997?

Response: Yes

Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997?

Response: N/A

Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997?

Response: Yes

Local Government (Financial Management) Regulations 1996

r. 5

Has the CEO ensured efficient systems and procedures are established under provisions set out in Financial Management Regulations 5(1)(a) to (g)?

Response: Yes

r. 6

Has the local government ensured that any employee delegated responsibility for day-to-day accounting or financial management operations is not also delegated the responsibility for conducting internal audits, reviewing their own duties, or for managing, directing or supervising someone who carries out these functions?

Response: Yes

r. 7

Did the local government ensure it has regard to the needs of the inhabitants of the district as a whole and not keep separate ward accounts or determine expenditure on the basis of revenue from a ward?

Response: N/A

r. 8

Does the local government maintain separate accounts with a bank or other financial institution for money to be held in the municipal fund, trust fund and for reserve account purposes?

Response: Yes

r. 9

Did the local government keep separate financial records for each trading undertaking and each major land transaction?

Response: N/A

r. 11

Has the local government developed procedures for the authorisation of, and the payment of, accounts in accordance with Local Government (Financial Management) Regulations 11(1), (2) and (3)?

Response: Yes

r. 12

Were payments made from the municipal fund or trust fund made by the CEO under a delegated authority or authorised, in accordance with regulation 13(2), in advance by a council resolution?

Response: Yes

r. 13

Can the local government confirm that, where the CEO has been delegated authority to make payments from the municipal or trust fund, the CEO prepared accurate monthly lists that are presented at the next ordinary council meeting and recorded in the minutes?

- includes the payee's name, payment amount, payment date, and sufficient information to identify each transaction where payments have already been made; or
- includes the payee's name, payment amount, sufficient information to identify each transaction, and the date of the council meeting (to which the list will be presented) for accounts requiring council approval.

Response: Yes

r. 13A

Did the local government prepare a list each month of all payments made using employee-authorised credit, debit or other purchasing cards, and include the payee's name, the amount of the payment, the date of the payment, sufficient information to identify the payment, and present the list at the next ordinary council meeting (and record in the minutes)?

Response: Yes

r. 19

Has the local government established and documented internal control procedures to enable identification of the nature and location of all investments and any related transactions?

Response: Yes

r. 19C

Has the local government ensured that all investments made under section 6.14(1) comply with statutory restrictions set out in Financial Management Reg. 19C?

Response: Yes

Local Government (Functions and General) Regulations 1996

r. 7

No response required. This is covered by s3.59(2).

r. 9

No response required. This is covered by s3.59(2).

r. 10

No response required. This is covered by s3.59(2).

r. 11A

Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, $250,000 or less or worth $250,000 or less?

Response: Yes

r. 11

No response required. This is covered by s3.57.

r. 12

Did the local government consider the implications of Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?

Response: N/A

r. 14(1), (3) and (5)

If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents, or each acceptable tenderer notice of the variation?

Response: N/A

r. 15

Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?

Response: N/A

r. 16

No response required. This is covered by r. 15.

r. 17

Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?

Response: N/A

r. 18(1) and (4)

Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?

Response: N/A

Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?

Response: N/A

r. 19

Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?

Response: N/A

r. 21

Does the local government’s advertising and expression of interest processes for limiting who can tender comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?

Response: N/A

r. 22

No response required. This is covered by r. 21.

r. 23

Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?

Response: N/A

Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?

Response: N/A

r. 24

Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24?

Response: N/A

r. 24AD(2), (4) and (6)

Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions & General) Regulations 1996 regulations 24AD(4) and 24AE?

Response: N/A

If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?

Response: N/A

r. 24AE

No response required. This is covered by r. 24AD(2), (4) and (6).

r. 24AF

No response required. This is covered by r. 24AD(2), (4) and (6).

r. 24AG

Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG?

Response: N/A

r. 24AH(1) and (3)

Did the local government reject any applications to join a panel of prequalified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?

Response: N/A

Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?

Response: N/A

r. 24AI

Did the CEO send each applicant written notice advising them of the outcome of their application?

Response: N/A

r. 24E

Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?

Response: N/A

r. 24F

No response required. This is covered by r. 24E.

I certify this is a true and accurate copy of the 2025 Compliance Audit Return, as adopted by Council at the meeting of _____ 2026.

CEO	Date
Mayor or President	Date

7.7 Status Reports

Nil

8 CLOSURE OF MEETING

There being no further business, the Independent Chair and Presiding Member declared the meeting closed at

These minutes were confirmed at the AUDIT COMMITTEE MEETING held on

Date_____

Signed_____
(Presiding member at the meeting which confirmed the minutes)

Committee Minutes are unconfirmed until they have been adopted at the following meeting of Council.