AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES

9:00am, Tuesday, 9 December 2025
Council Chambers
6177 Great Northern Highway, Bindoon

MEMBERSHIP

The committee shall consist of all elected members. All members shall have full voting rights.

The Chief Executive Officer and employees are not members of the committee.

The Chief Executive Officer and Executive Manager Corporate Services (or their nominee) is to attend all meetings to provide advice and guidance to the committee.

The local government shall provide secretarial and administrative support to the committee.

FUNCTIONS OF AN AUDIT COMMITTEE

As per the *Local Government (Audit) Regulations 1996 Section 16*, an audit committee has the following functions —

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

[Regulation 16 inserted: Gazette 26 Jun 2018 p. 2386-7.]

DELEGATED AUTHORITY

Nil

PUBLIC QUESTION TIME

1. Time Permitted

A minimum of 15 minutes is permitted for Public Question Time at Committee Meetings. If there are not sufficient questions to fill the allocated time, the Presiding Member will move to the next item. If there are more questions to be considered within 15 minutes, the Presiding Member will determine whether to extend Public Question Time. Each person seeking to ask questions during Public Question Time may address the Committee for a maximum of two minutes each.

2. Protocol

No member of the public may interrupt the Committee Meeting proceedings or enter into conversation.

Members of the public wishing to participate in Public Question Time at the Committee Meeting who wish to submit written questions, are requested to lodge them with the Chief Executive Officer the Tuesday by **5pm on the day before the meeting**

The Presiding Member will control Public Question time and ensure that each person wishing to ask a question is given a fair and equal opportunity to do so. Members of the public wishing to ask a question must state his or her name and address before asking a question. If the question relates to an item of the Agenda, the item number and title should be stated.

3. General Rules

The following general rules apply to Public Question Time:

- Public Questions should only relate to the business of the local government and should not be a personal statement or opinion.
- Only questions relating to matters affecting the local government will be considered at a Committee Meeting.
- Questions may be take on notice and responded to after the meeting.
- Questions may not be directed to specific Committee Members or a Shire employee.
- Questions are not to be framed in such a way as to reflect adversely on a particular Committee Member or Shire employee.
- First priority will be given to persons who have submitted their questions in writing.
- Second priority will be given to persons who are asking questions relating to items on the current Committee Meeting Agenda.

During the meeting, no member of the public may interrupt the meetings proceedings or enter into conversation.

Members of the public shall ensure that their mobile telephone and/or audible pager is not switched on or used during any meeting of the Committee.

Members of the public are hereby advised that use of any electronic, visual or audio recording device or instrument to record proceedings of the Committee is not permitted without the permission of the Presiding Member.

PREFACE

When the Chief Executive Officer approves these minutes for distribution, they are in essence "Unconfirmed" until the following Audit, Risk and Improvement Committee Meeting, where the minutes will be confirmed subject to any amendments.

The "Confirmed" minutes are then signed off by the Presiding Member.

Attachments that formed part of the Agenda, in addition to those tabled at the Audit, Risk and Improvement Committee Meeting are put together as an addendum to these Minutes.

UNCONFIRMED MINUTES

These minutes were approved for distribution on 9 December 2025.

Melinda Prinsloo
Chief Executive Officer

CONFIRMED MINUTES

These minutes were confirmed at a meeting held on

Signed: ____

NOTE: The Presiding Member at the meeting at which these minutes are confirmed is the person who signs above.

OBJECTIVE

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

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

The committee is to facilitate:

(a) the enhancement of the credibility of external financial reporting
(b) compliance with laws and regulations as well as use of best practise guidelines relative to auditing
(c) the provision of an effective means of communication between the external auditor, the Chief Executive Officer and the Council.

TABLE OF CONTENTS

Good morning, ladies and gentlemen, we wish to acknowledge the traditional custodians of the land within the Shire of Chittering, the Yued and Whadjuk peoples. We would like to pay respect to the Elders of the Nyoongar nation, past and present, who have walked and cared for the land, we acknowledge and respect their continuing culture, and the contributions made to this region.

ITEM 1. DECLARATION OF OPENING OF MEETING / ANNOUNCEMENTS OF VISITORS

The Chair declared the meeting open at 9.04am.

ITEM 2. RECORD OF ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

Attendance

The following Independent Member was in attendance:

Sean Fletcher	Chair (CEO, Shire of Victoria Plains)

The following members were in attendance:

Cr David Dewar	Deputy President
Cr Mary Angus	
Cr Kylie Hughes	

The following staff were in attendance:

Melinda Prinsloo	Chief Executive Officer
Jake Whistler	Executive Manager Development Services
Leo Pudhota	Executive Manager Technical Services
Denaye Kerr	Executive Assistant

Members of the General Public: 0

Media: 0

Apologies

Cr Mark Campbell	President
Cr John Curtis	
Cr Beck Foulkes-Taylor	
Cr Nicholas Grayer	

Approved leave of absence

Nil

ITEM 3. DISCLOSURE OF INTEREST

Nil

ITEM 4. PUBLIC QUESTION TIME

Public question time

Nil

ITEM 5. CONFIRMATION OF MINUTES

Ordinary Meeting of Council: 12 March 2025

OFFICER RECOMMENDATION
Moved Cr Angus, seconded Cr Dewar
That the minutes of the Audit, Risk and Improvement Committee Meeting held on Wednesday, 12 March 2025, as published on the Shire website, be confirmed.

CARRIED: 4 / 0
TIME: 9.05AM
FOR: Cr Angus, Cr Dewar, Cr Hughes, Mr Fletcher
AGAINST: Nil

ITEM 6. REPORTS

ARIC01 - 12/25 Enterprise Risk Maturity Update & Dashboard Progress Report

Applicant	Shire of Chittering
File reference	SOCR-1845402348-100794
Author	Manager Governance & Corporate Performance
Authorising Officer	Chief Executive Officer
Disclosure of interest	Neither the Author nor Authorising Officer have any Impartiality, Financial or Proximity Interests that requires disclosure
Voting Requirements	Simple Majority
Attachments	1. 2023 Risk Dashboard and current performance updates 2. CBP 2025/26 Risk-Rated Projects, Initiatives and BAU

	Authority / Discretion	***Definition***
☐	Advocacy	*When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
☒	**Executive**	***The substantial direction setting and oversight role of Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.***
☐	Legislative	*When Council initiates or adopts a policy position, or a local law*
☐	Quasi-Judicial	*When Council determines an application/matter that directly affects a person's rights and interests. The judicial character arises from the obligation to abide by the principles of natural justice. Examples of Quasi-Judicial authority include development applications, building licences, applications for other permits/licences (e.g. under Health Act, Dog Act or Local Laws) and other decisions that may be appealable to the State Administrative Tribunal*
☐	Information	*Includes items for information purposes only and do not require a decision of Council (to 'note' only)*

Executive Summary

This report provides the Audit, Risk and Improvement Committee with an update on the Shire's current risk governance position and outlines the forward program to reinstate a full enterprise risk review in 2026/27.

Risk governance has remained active through Corporate Performance reporting, mid-year and end-of-year review of risk-assigned CBP actions, and ongoing compliance oversight.

A major uplift was implemented through the 2025/26 Corporate Business Plan, where every project and improvement activity was risk-rated using a structured methodology, increasing visibility of operational risk exposure and treatment needs. A full enterprise-wide review is now recommended to align strategic, operational and compliance risks ahead of the next legislative review deadline in August 2026.

Background

The last enterprise-wide risk review was undertaken in August 2023. Under Regulation 17, the next mandatory review is not required until August 2026, and the Shire remains compliant within this cycle.

While a formal risk report has not been tabled since then, risk oversight has continued through:

Ongoing Oversight Mechanism	Status
Mid-year & end-of-year Corporate Performance reporting	ongoing annually
Risk ratings applied to all CBP 2025/26 actions	completed
Monthly Compliance Register monitored	active
Annual Compliance Audit Return submitted each March	legislatively required & maintained

These mechanisms have ensured continued visibility of risk exposure despite no standalone review being presented since 2023.

CBP 2025/26 Risk Methodology
All CBP projects and actions were assessed against two dimensions - Risk Category and Risk Level, using the matrix below:

Risk Category	Description
1. Strategic / Governance Risk	Budget overrun, revenue shortfall, or financial mismanagement.
2. Asset / Infrastructure	Interruption to essential services or reduced service quality.
3. Compliance / Legislative Risk	Failure to comply with legislation, regulations, or mandatory policies.
4. Service Delivery Risk	Adverse community or stakeholder perception; loss of confidence in the Shire.
5. Workforce / People Risk	Damage, deterioration, or failure of physical infrastructure or assets.
6. Emergency / Safety Risk	Environmental harm or breach of environmental obligations.
7. Environmental Risk	Workforce shortages, health & safety issues, or capacity limitations.
8. Technology / Cybersecurity Risk	Misalignment with strategic objectives, poor leadership, or governance failures.

Risk Level	Meaning	Management Response
Critical	Severe risk; urgent mitigation required. Likely to impact strategic outcomes or community safety.	Immediate action. Executive oversight. Potential escalation to Council.
High	Significant risk; could disrupt services, cause major financial or reputational damage.	Active risk management. Senior leadership oversight. Formal controls.
Medium	Moderate risk; could affect service efficiency or cause operational delays if unmanaged.	Service-level controls and monitoring. Regular reviews and mitigation.
Low	Minor risk; well-managed through existing processes.	Routine monitoring by service area. No additional controls required.

This framework will be expanded to support the recommended enterprise review, allowing alignment between strategic risk, project risk, and operational exposure.

Consultation Summary
Local
A consultation process was undertaken with the Executive Management Team and key staff when the risks were first identified in 2023. This collaborative process also informed the development of the corresponding mitigation actions and accountability allocations.

State
Nil

Legislative Implications
Local
Nil

State

Instrument	Requirement
Local Government (Audit) Regulations 1996 – Reg 17	CEO must review risk systems at least once every three years and report to Audit, Risk and Improvement Committee.
Local Government (Audit) Regulations 1996 – Reg 16(c)	ARIC must review and report risk management to Council.
Local Government Act 1995 s5.56	Requires planning for the future, inclusive of risk management considerations.
Local Government (Audit) Regulations 1996 – Reg. 14	Requires a Compliance Audit Return (CAR) to be completed annually for the period 1 January–31 December.
Local Government (Audit) Regulations 1996 – Reg. 15	Requires the CAR to be reviewed by the Audit, Risk and Improvement Committee, adopted by Council and then submitted to the State Department by 31 March each year.

The next mandatory 3-year review is due by August 2026.

Policy Implications
Local
Nil

State
Nil

Financial Implications
Nil

Strategic Assessment / Implications
Local
- *Strategic Community Plan*
  Strategic objective:
  5. Strengthen the Council's commitment to accountability, transparency, and responsible financial management while empowering residents and stakeholders.
  Strategy:
  5.1 Enhancing accountability and transparency

Site Inspection
Site inspection undertaken: Not applicable

Environmental Consideration
Environment consideration given: Not applicable

Risk Assessment / Implications

Risk	Likelihood	Consequences	Risk Analysis	Mitigation
Risk Category: Compliance	Likely	Moderate	High	Undertaking review process maintains Regulation 17 compliance.
Opportunity: Nil				

Officer Comment/Details

The Shire has strengthened its overall risk maturity through the structured risk assessment process implemented in the 2025/26 Corporate Business Plan and through ongoing monthly compliance tracking. These measures have improved visibility of operational and service-level risk and provided clearer alignment between planning, budgeting and risk management.

The next step is to review and update the enterprise risk register, develop an endorsed risk appetite statement, and establish a programmed reporting cycle to the Audit, Risk and Improvement Committee and Council. This will ensure strategic, operational and compliance risks are monitored consistently and that the Shire maintains strong governance practices.

OFFICER RECOMMENDATION / COMMITTEE RESOLUTION
Moved Cr Dewar, seconded Cr Angus
That Audit, Risk & Improvement Committee:

1. **Receive the Enterprise Risk Management Status Update 2025/26.**
2. **Note that:**
   a. **The 2025/26 Corporate Business Plan incorporates structured risk methodology.**
   b. **The Monthly Compliance Register monitoring and annual CAR submission remain active.**
   c. **A full Reg.17 review will be scheduled and completed prior to August 2026.**

CARRIED: 4 / 0
TIME: 9.06AM
FOR:
AGAINST:

ARIC02 - 12/25 Shire of Chittering Annual Report 2024/25

Applicant	Shire of Chittering
File reference	SOCR-1845402348-94652
Author	Manager Governance & Corporate Performance
Authorising Officer	Chief Executive Officer
Disclosure of interest	Neither the Author nor Authorising Officer have any Impartiality, Financial or Proximity Interests that requires disclosure
Voting Requirements	Absolute Majority
Attachments	1. 2024/25 Annual Report 2 2024/25 Audited Financial Statement 3. Auditor’s Report

	Authority / Discretion	***Definition***
☐	Advocacy	*When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
☒	**Executive**	***The substantial direction setting and oversight role of Council. e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.***
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☐	Information	*Includes items for information purposes only and do not require a decision of Council (to ‘note’ only)*

Executive Summary

The 2024/25 Annual Report and Audited Financial Statements, including the Auditor’s Report, are presented to the Audit, Risk & Improvement Committee for review and endorsement prior to submission to Council for adoption at the 10 December 2025 Ordinary Council Meeting.

The audited statements accompany this report as **Attachment 2** and will be incorporated into the Annual Report ahead of Council adoption. Endorsement by the Committee will enable the report to be progressed in accordance with the Local Government Act 1995 and support Council in setting the date for the Annual Electors’ Meeting, which must be held within 56 days of adoption.

Subject to Committee endorsement and Council approval, the Annual Electors' Meeting date will be recommended for scheduling at the December Council meeting.

Background

The preparation of an Annual Report is a statutory requirement under the *Local Government Act 1995*. In accordance with Section 5.53(1), every local government must prepare an annual report for each financial year, with the required content specified in Section 5.53(2). The Act also requires local governments to hold an Annual Electors’ Meeting within 56 days of Council accepting the Annual Report.

Under Section 5.54, Council must accept the Annual Report for a financial year no later than 31 December of the following year, unless the Auditor’s Report is not available in time. In such cases, the Annual Report must be accepted within two months of the Auditor’s Report becoming available.

The review of the Annual Financial Statements and Auditor’s Report by the Audit, Risk & Improvement Committee is a legislative step that must occur before Council can adopt and publish the Annual Report. Under

Part 7 of the *Local Government Act 1995*, the Committee is required to provide oversight of audit findings, financial reporting integrity and the completeness of the statements prior to Council consideration.

Section 5.53 of the Act requires local governments to prepare an Annual Report for each financial year, including the audited financial statements and Auditor's Report. Section 5.54 further requires Council to accept the report no later than 31 December, unless the audit is delayed. Upon adoption, the report must be presented to the community at an Annual Electors' Meeting within 56 days.

The Annual Report is the Shire's primary public accountability document. It outlines performance against the Strategic Community Plan and Corporate Business Plan, key projects, financial results and forward priorities. It is intended to provide transparent, accessible reporting to residents, businesses and stakeholders.

The Shire has strengthened the structure of the Annual Report over recent years to reflect best practice in public sector reporting. These improvements resulted in a Silver Award for the 2022/23 Annual Report and a Gold Award for the 2023/24 Annual Report through the Australasian Reporting Awards. The 2024/25 report maintains this trajectory, with improvements to narrative clarity, visualisation, performance reporting and strategic alignment.

The audited financial statements (*Attachment 2*) are presented to the Audit, Risk & Improvement Committee for review and endorsement. Once endorsed, they will be incorporated into the final Annual Report for Council adoption on 10 December 2025.

Based on statutory timeframes, the Annual Electors' Meeting is proposed to be held before, or on Wednesday, 4 February 2026, which falls within the required 56-day period from Council adoption.

Consultation Summary

Local

A consultation process was conducted with the Executive Management Team and various key staff members. The integrated approach was to ensure that all services delivered during 2024/25 and its relevant performance are captured within the report.

State

Nil

Legislative Implications

Local

Nil

State

The Annual Report is required under s5.53 of the *Local Government Act 1995,* including the audited financial statements and Auditor's Report.

Under s5.54, the report must be accepted by Council no later than 31 December unless the audit is delayed, in which case it must be accepted within two months of receipt of the Auditor's Report.

Following adoption, s5.55 requires local public notice and s5.27-5.29 require the Annual Electors' Meeting to be held within 56 days.

In accordance with the *Local Government (Audit) Regulations 1996,* Regulations 14, 15, 16 and 17 require the Audit, Risk & Improvement Committee to review the Annual Financial Statements and the Auditor's Report prior to Council acceptance.

Consistent with best-practice governance, the Annual Report is therefore presented to the Committee for review and endorsement before being submitted to Council for adoption.

Policy Implications
Local
Nil

State
Nil

Financial Implications
Nil

Strategic Assessment / Implications
Local

- *Strategic Community Plan*
  Strategic objective:
  5. Strengthen the Council's commitment to accountability, transparency, and responsible financial management while empowering residents and stakeholders.
  Strategy:
  5.1 Enhancing accountability and transparency

Site Inspection
Site inspection undertaken: Not applicable

Environmental Consideration
Environment consideration given: Not applicable

Risk Assessment / Implications

Risk	**Likelihood**	**Consequences**	**Risk Analysis**	**Mitigation**
Risk Category: Compliance – Failure to adopt the Annual Report and financial statements within statutory timeframes.	Likely	Moderate	High	Presentation of the Annual Report and audited financial statements to the Audit, Risk & Improvement Committee prior to Council adoption ensures compliance. Statutory dates have been scheduled, and inclusion of the audit exit meeting supports timely sign-off. Ongoing monitoring will occur until final adoption and electors' meeting.
Opportunity: Nil				

Officer Comment/Details
In accordance with Section 5.53 of the Local Government Act 1995, the Annual Report must contain the financial statements for the year and the Auditor's Report prepared under Sections 7.9(1) or 7.12AD(1). The audited financial statements for 2024/25 have now been finalised and an unqualified audit opinion has been issued.

The Annual Report **(Attachment 1)**, Audited Financial Statements **(Attachment 2)** and the Auditor's Report **(Attachment 3)** are presented to the Audit, Risk & Improvement Committee for review and endorsement, prior to being submitted to Council for adoption at the Ordinary Council Meeting scheduled for 10 December 2025. The audited documents will be incorporated into the final Annual Report ahead of that meeting.

As this is the final Council meeting for the calendar year, adoption at this meeting ensures compliance with the statutory timeframe under Section 5.54 and enables the Shire to proceed to the next stage of the annual accountability cycle, including the scheduling of the Annual Electors' Meeting.

The Audit, Risk & Improvement Committee is therefore requested to endorse the 2024/25 Annual Report, Audited Financial Statements and Auditor's Report, and recommend their adoption to Council.

OFFICER RECOMMENDATION / COMMITTEE RESOLUTION
Moved Cr Angus, seconded Cr Dewar
That the Audit, Risk & Improvement Committee recommends that Council:

1. **Endorse the 2024/25 Annual Report, Audited Financial Statements and Auditor's Report; and**
2. **Accept the 2024/25 Annual Report in accordance with sections 5.54 and 5.55 of the Local Government Act 1995 and proceeds with statutory public notice and scheduling of the Annual Electors' Meeting.**

CARRIED: 4 / 0
TIME: 9.07AM
FOR:
AGAINST:

ITEM 7. CLOSURE

The Audit, Risk and Improvement Committee Chair closed the meeting at 9.08am.