



Shire of
Collie

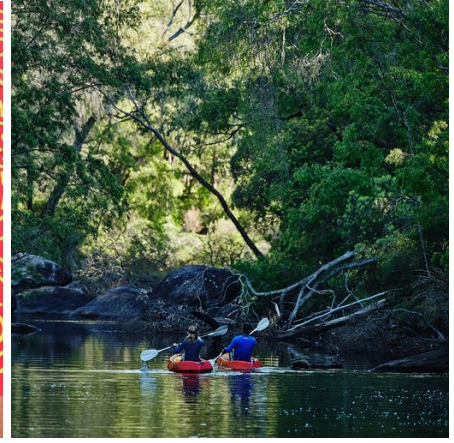
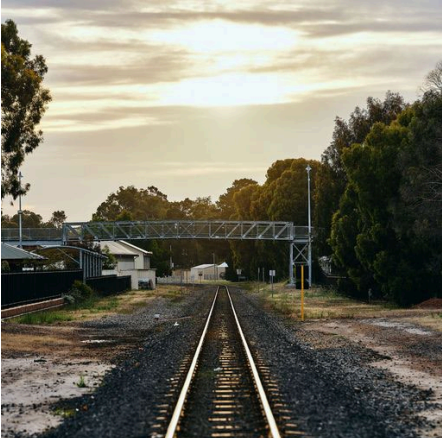
AGENDA

for the

AUDIT RISK AND IMPROVEMENT COMMITTEE MEETING

to be held on

Tuesday, 31 March 2026



Our Vision

Collie - *A progressive community, rich in opportunities and as diverse as its heritage and landscape.*

Our Values

The core values at the heart of the Council's commitment to the community are:

Integrity

Transparency

Accountability

Collaboration

Respect

Our Commitment to Community

We will lead the delivery of our vision

We will support local business wherever possible

We will consult and engage with our community on issues that affect them

We will encourage, welcome and value feedback

We will encourage, support and advocate for our community

Acknowledgement of Country

The Shire of Collie acknowledges the Traditional Custodians of the land, the Willman and Kaniyang people of the Noongar Nation, and pays our respects to Elders, past, present and emerging. We thank them for the contributions they have made to life in the Shire of Collie and to this region.

NOTICE OF MEETING

Please be advised that the



Audit Risk and Improvement Committee Meeting

commencing at **4:00pm**

will be held on

Tuesday, 31 March 2026

In Council Chambers at 87 Throssell Street, Collie

A handwritten signature in blue ink, appearing to read "Phil Anastasakis", is positioned above a horizontal line.

Phil Anastasakis
Chief Executive Officer

26 March 2026

DISCLAIMER

The advice and information contained herein is given by and to the Committee without liability or responsibility for its accuracy. Before placing any reliance on this advice or information, a written inquiry should be made to the Council giving entire reasons for seeking the advice or information and how it is proposed to be used.

Please note this agenda contains recommendations, which have not yet been adopted by Council.

Any statement, comment or decision made at a Council or Committee meeting regarding any application for an approval, consent or licence, including a resolution of approval, is not effective as an approval of any application and must not be relied upon as such. Any person or entity that has an application before the Shire must obtain, and should only rely on, written notice of the Shire's decision and any conditions attaching to the decision and cannot treat as an approval anything said or done at a Council or Committee meeting.



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Agenda for the Shire of Collie Audit Risk and Improvement Committee Meeting to be held in Council Chambers, 87 Throssell Street Collie, on Tuesday, 31 March 2026 commencing at 4:00pm.

1. **OPENING/ATTENDANCE/APOLOGIES**
2. **PUBLIC QUESTION TIME**
3. **RESPONSES TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE**
4. **DISCLOSURE OF FINANCIAL INTEREST**
5. **PETITIONS/DEPUTATIONS/PRESENTATIONS/SUBMISSIONS**
Nil.
6. **NOTIFICATION OF MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC**
Nil.
7. **CONFIRMATION OF THE PREVIOUS MINUTES OF COMMITTEE MEETING**
 - 7.1 **Audit Committee Meeting – 19 May 2025**

Officer's Recommendation:

That the Committee confirms the Minutes of the Shire of Collie Audit Committee Meeting held on 19 May 2025.

8. **BUSINESS ARISING FROM THE PREVIOUS MINUTES**
Nil.

9. OFFICER REPORTS

9.1 Audit Risk and Improvement Committee Annual Audit Workplan 2026	
Reporting Department:	Corporate and Community Services
Reporting Officer:	Nicole Wasmann – Governance Coordinator
Accountable Manager:	Phil Anastasakis – Chief Executive Officer
Legislation	<i>Local Government Act 1995</i>
File Number:	GOV/064
Appendices:	9.1.A Audit Workplan 2026
Voting Requirement	Simple Majority

Report Purpose:

For the Committee to receive and consider the Annual Audit Work Plan and to recommend to Council that the Plan to be received and endorsed.

Officer’s Recommendation:

That the Audit Risk and Improvement Committee recommends that Council receives and endorses the 2026 Annual Audit Work Plan for the Audit Risk and Improvement Committee.

Background:

To assist and guide the Audit Risk and Improvement Committee in fulfilling its functions, roles and responsibilities in accordance with the Committee’s Terms of Reference and legislative requirements, an Annual Audit Work Plan has been prepared for consideration.

Statutory and Policy Implications:

Local Government (Audit) Regulations 1996

16.Functions of audit, risk and improvement committee

An audit, risk and improvement committee has the following functions —

- (a) *to receive and review reports on, and recommend to the council actions to be taken in relation to —*
 - (i) *audits under Part 7 of the Act; and*
 - (ii) *compliance audits; and*
 - (iii) *reviews under regulation 17;*

- (b) *to otherwise receive and review reports on the appropriateness and effectiveness of, and recommend to the council improvements to, the local government’s systems and procedures in relation to —*
- (i) *financial management; and*
 - (ii) *legislative compliance; and*
 - (iii) *risk management;*
- (c) *to receive and review reports on, and recommend to the council improvements to, the implementation of any actions that the local government —*
- (i) *is required to take under 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 otherwise decided to take in response to a report or recommendation referred to in paragraph (a) or (b); and*
 - (iv) *has stated it has done or proposes to do in written advice prepared under section 8.6(1)(a) or 8.23(4)(a);*
- (d) *any other function conferred on the audit, risk and improvement committee under these*

Budget Implications:

The implementation of the Annual Audit Work Plan for the Audit Risk and Improvement Committee is facilitated through staff resources funded by the employment costs budget.

Budget – Whole of Life Cost:

As this report does not propose new assets, there are no direct whole of life or ongoing cost implications.

Communications / Consultation Requirements:

Nil.

Strategic Implications:

STRATEGIC COMMUNITY PLAN AND CORPORATE BUSINESS PLAN		
GOAL:	5	Our Organisation
Objective:	5.1	Innovative leadership, forward planning, and mutually beneficial partnerships
Strategic Priority:	5.1.6	To provide Good Governance across the organisation.

Relevant Precedents:

Nil.

Risk Assessment:

The Risk Management Governance Framework has been considered in arriving at the Officer Recommendation.

TIER 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Audit Risk and Improvement Committee Annual Audit Work Plan 2026
Inherent Risk Rating (prior to treatment or control)	Low (1 - 4)
Risk Action Plan (treatment or controls proposed)	As the Residual Risk is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Residual Risk Rating is below 12, this is not applicable.
Risk Category Assessed Against (Health, Financial Impact, Service Interruption, Legal and Compliance, Reputational, Environmental, Property)	Health Nil.
	Financial Nil.
	Service Interruption Nil.
	Legal and Compliance Not adopting an Annual Work Plan could result in areas of compliance not being addressed by Committee and Council.
	Reputational Council’s reputation could be negatively impacted if the functions of the Audit Risk and Improvement Committee are not met.
	Environment Nil.
Property Nil.	

Comment:

The Plan provides guidance to Staff and the Committee on functions which may be undertaken in the 2026 calendar year. It is anticipated that the Plan will be further developed and expanded for 2027.

The Committee is asked to consider and to make recommendation to Council to receive and endorse the 2026 Annual Audit Work Plan.

9.2 Office of the Auditor General – Audit Reports	
Reporting Department:	Corporate and Community Services
Reporting Officer:	Nicole Wasmann – Governance Coordinator
Accountable Manager:	Phil Anastasakis – Chief Executive Officer
Legislation	<i>Local Government Act 1995</i>
File Number:	GOV/064
Appendices:	9.2.A OAG Performance Audit – Maintaining Regional Local Roads 9.2.B OAG Financial Audit Results – Status of Local Government Audits 2025
Voting Requirement	Simple Majority

Report Purpose:

To highlight recent reports published by the Western Australian Auditor General.

Officer’s Recommendation:

That the Audit Risk and Improvement Committee notes the following Audit reports tabled by the Office of the Auditor General:

1. *Performance Audit - Maintaining Regional Local Roads (OAG Report 3:2025-26).*
2. *Financial Audit Results - Status of Local Government Audit 2025 (OAG Report 8:2025-26).*

Background:

The Auditor General has tabled the following reports which are relevant to the Shire of Collie Audit Risk and Improvement Committee:

- Performance Audit - Maintaining Regional Local Roads (OAG Report 3:2025-26).
- Financial Audit Results - Status of Local Government Audit 2025 (OAG Report 8:2025-26).

The reports are included as appendices.

Statutory and Policy Implications:

Local Government (Audit) Regulations 1996

16.Functions of audit, risk and improvement committee

An audit, risk and improvement committee has the following functions —

- (a) *to receive and review reports on, and recommend to the council actions to be taken in relation to —*
 - (i) *audits under Part 7 of the Act; and*
 - (ii) *compliance audits; and*

- (iii) *reviews under regulation 17;*
- (b) *to otherwise receive and review reports on the appropriateness and effectiveness of, and recommend to the council improvements to, the local government’s systems and procedures in relation to —*
- (i) *financial management; and*
- (ii) *legislative compliance; and*
- (iii) *risk management;*
- (c) *to receive and review reports on, and recommend to the council improvements to, the implementation of any actions that the local government —*
- (i) *is required to take under 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 otherwise decided to take in response to a report or recommendation referred to in paragraph (a) or (b); and*
- (iv) *has stated it has done or proposes to do in written advice prepared under section 8.6(1)(a) or 8.23(4)(a);*
- (d) *any other function conferred on the audit, risk and improvement committee under these*

Budget Implications:

Nil.

Budget – Whole of Life Cost:

As this report does not propose new assets, there are no direct whole of life or ongoing cost implications.

Communications / Consultation Requirements:

Nil.

Strategic Implications:

STRATEGIC COMMUNITY PLAN AND CORPORATE BUSINESS PLAN		
GOAL:	5	Our Organisation
Objective:	5.1	Innovative leadership, forward planning, and mutually beneficial partnerships
Strategic Priority:	5.1.6	To provide Good Governance across the organisation.

Relevant Precedents:

Nil.

Risk Assessment:

The Risk Management Governance Framework has been considered in arriving at the Officer Recommendation.

TIER 2 – ‘Low’ or ‘Moderate’ Inherent Risk.															
Risk Event	Office of the Auditor General – Audit Reports														
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)														
Risk Action Plan (treatment or controls proposed)	As the Residual Risk Rating is below 12, this is not applicable.														
Residual Risk Rating (after treatment or controls)	As the Residual Risk Rating is below 12, this is not applicable.														
Risk Category Assessed Against (Health, Financial Impact, Service Interruption, Legal and Compliance, Reputational, Environmental, Property)	<table border="0"> <tr> <td>Health</td> <td>Nil.</td> </tr> <tr> <td>Financial</td> <td>Nil..</td> </tr> <tr> <td>Service Interruption</td> <td>Nil.</td> </tr> <tr> <td>Legal and Compliance</td> <td>Not considering the risks, controls and recommendations arising from the Auditor General’s reports could have an impact on Council not meeting its compliance requirements.</td> </tr> <tr> <td>Reputational</td> <td>The Shire of Collie’s reputation could be seen in a negative light if implications of the matters raised in the Auditor General’s reports were not considered.</td> </tr> <tr> <td>Environment</td> <td>Nil.</td> </tr> <tr> <td>Property</td> <td>Nil.</td> </tr> </table>	Health	Nil.	Financial	Nil..	Service Interruption	Nil.	Legal and Compliance	Not considering the risks, controls and recommendations arising from the Auditor General’s reports could have an impact on Council not meeting its compliance requirements.	Reputational	The Shire of Collie’s reputation could be seen in a negative light if implications of the matters raised in the Auditor General’s reports were not considered.	Environment	Nil.	Property	Nil.
Health	Nil.														
Financial	Nil..														
Service Interruption	Nil.														
Legal and Compliance	Not considering the risks, controls and recommendations arising from the Auditor General’s reports could have an impact on Council not meeting its compliance requirements.														
Reputational	The Shire of Collie’s reputation could be seen in a negative light if implications of the matters raised in the Auditor General’s reports were not considered.														
Environment	Nil.														
Property	Nil.														

Comment:

Reports tabled by the Auditor General will be presented to future meetings of this Committee.

The Committee is asked to note the reports referenced in this item.

9.3 Water Corporation Consumption Review	
Reporting Department:	Chief Executive Officer/Operations/Development Services/Corporate and Community Services
Reporting Officer:	Geoff Lawrence – Finance and Business Excellence Coordinator
Accountable Manager:	Phil Anastasakis – Chief Executive Officer
Legislation	Not applicable
File Number:	GOV/064
Appendices:	9.3.A Water Consumption Schedule 9.3.B Water Corporation Consumption Review
Voting Requirement	Simple Majority

Report Purpose:

For consideration of a report prepared in relation to Water Corporation Consumption. The Report presents an analysis of Water Corporate invoices across Shire operated facilities to assess whether current expenditure levels are driven by seasonal demand or potential leakage and inefficiencies.

Officer's Recommendation:

That the Audit Risk and Improvement Committee:

1. **Notes** the findings of the water consumption review.
2. **Acknowledges** seasonal demand as the primary cost driver.
3. **Recommends** that Council
 - a) *Endorses the implementation of improved monitoring and reporting controls.*
 - b) *Requests a follow up report to the Audit Risk and Improvement Committee within 6-12 months including:*
 - *Trend analysis;*
 - *Outcomes of site inspections; and*
 - *Identified savings or leak rectifications.*

Background:

At the Audit Committee Meeting held 11 March 2025, the Audit Committee made recommendation to Council which was subsequently endorsed at the March Ordinary Meeting of Council, resolution 9558.

“That Council support the Audit Committee’s request to receive a report on the current Water Corporation water consumption invoices and locations to assess whether season water consumption or leakage is the cause of current expenditure levels.”

A report has been prepared and is included in Appendix 9.3.B.

Statutory and Policy Implications:

Not applicable.

Budget Implications:

The implementation of the report’s recommendations will primarily be facilitated through staff resources funded by the employment costs budget. Any material costs associated with changes to monitoring systems would be considered as part of future budgets.

Improved monitoring has the potential to provide savings in water consumption costs.

Budget – Whole of Life Cost:

As this report does not propose new assets, there are no direct whole of life or ongoing cost implications.

Communications / Consultation Requirements:

Nil.

Strategic Implications:

STRATEGIC COMMUNITY PLAN AND CORPORATE BUSINESS PLAN		
GOAL:	5	Our Organisation
Objective:	5.1	Innovative leadership, forward planning, and mutually beneficial partnerships
Strategic Priority:	5.1.6	To provide Good Governance across the organisation.

Relevant Precedents:

Nil.

Risk Assessment:

The Risk Management Governance Framework has been considered in arriving at the Officer Recommendation.

TIER 2 – ‘Low’ or ‘Moderate’ Inherent Risk.	
Risk Event	Water Corporation Consumption Review
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)
Risk Action Plan (treatment or controls proposed)	As the Residual Risk Rating is below 12, this is not applicable.
Residual Risk Rating (after treatment or controls)	As the Residual Risk Rating is below 12, this is not applicable.

TIER 2 – ‘Low’ or ‘Moderate’ Inherent Risk.

<p>Risk Category Assessed Against (Health, Financial Impact, Service Interruption, Legal and Compliance, Reputational, Environmental, Property)</p>	Health	Nil
	Financial	Lack of adequate monitoring of water consumption could result in excess water use.
	Service Interruption	Service to the community will be disrupted if the water irrigation systems are not monitored.
	Legal and Compliance	Nil.
	Reputational	The Shire of Collie’s reputation could be damaged if water use is not managed appropriately.
	Environment	High unmonitored water use is no sustainable.
	Property	Nil.

Comment:

The Report included at Appendix 9.3.B identifies a plan for implementation of improved monitoring and reporting controls and makes recommendation for further reports to be presented to the Committee in 6-12 months.

The Committee is asked to note the findings of the review and make recommendation to Council for further monitoring and reports.

10. MOTIONS FOR WHICH PRIOR NOTICE HAS BEEN GIVEN

Members have the ability to submit notices of motion between meetings and up to a time prescribed in standing orders before a meeting.

11. QUESTIONS BY MEMBERS FOR WHICH DUE NOTICE HAS BEEN GIVEN

Members have the ability to submit notices of questions between meetings and up to a time prescribed in standing orders before a meeting.

12. URGENT BUSINESS APPROVED**13. ANNOUNCEMENTS BY THE PRESIDING MEMBER AND COUNCILORS****14. CLOSURE OF MEETING TO MEMBERS OF THE PUBLIC****15. CLOSE**

There being no further business, the Presiding Officer to declare the meeting closed.

Risk Category Consequence Table – Guideline

Rating (Level)	Health	Financial Impact	Service Interruption	Legal and Compliance	Reputational	Environmental	Property
Insignificant (1)	Near-Miss or First Aid	Less than \$10,000	No material service interruption	Compliance - No noticeable regulatory or statutory impact. Legal – Threat of litigation requiring small compensation. Contract – No effect on contract performance.	Unsubstantiated, low impact, low profile or ‘no news’ item. Example: Gossip, Facebook item seen by limited person.	Contained, reversible impact managed by on site response.	Inconsequential or no damage.
Minor (2)	Medical type injuries	\$10,001 - \$50,000	Short term temporary interruption – backlog cleared < 1 day	Compliance - Some temporary non compliances. Legal – Single minor litigation. Contract – Results in meeting between two parties in which one party expresses concern.	Substantiated, low impact, low news item Example: Local paper/Industry news article, Facebook item seen by multiple groups.	Contained, reversible impact managed by internal response.	Localised damage rectified by routine internal procedures.
Moderate (3)	Lost time injury	\$50,001 - \$300,000	Medium term temporary interruption – backlog cleared by additional resources < 1 week	Compliance - Short term non-compliance but with significant regulatory requirements imposed. Legal – Single moderate litigation or numerous minor litigations. Contract – Receive verbal advice that, if breaches continue, a default notice may be issued.	Substantiated, public embarrassment, moderate impact, moderate news profile. Example: State-wide paper, TV news story.	Contained, reversible impact managed by external agencies.	Localised damage requiring external resources to rectify.
Major (4)	Long-term disability / multiple injuries	\$300,001 - \$1.5 million	Prolonged interruption of services – additional resources; performance affected < 1 month	Compliance - Non-compliance results in termination of services or imposed penalties. Legal – Single major litigation or numerous moderate litigations. Contract – Receive/issue written notice threatening termination if not rectified.	Substantiated, public embarrassment, high impact, high news profile, third party actions. Example: Australia wide news stories. Regulatory/Political commentary involvement.	Uncontained, reversible impact managed by a coordinated response from external agencies.	Significant damage requiring internal & external resources to rectify.
Catastrophic (5)	Fatality, permanent disability	More than \$1.5 million	Indeterminate prolonged interruption of services – non-performance > 1 month	Compliance - Non-compliance results in litigation, criminal charges or significant damages or penalties. Legal – Numerous major litigations. Contract – Termination of contract for default.	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, third party actions. Example: Worldwide news, focused articles (e.g. 60 minutes). Regulatory/Political oversight and involvement.	Uncontained, irreversible impact.	Extensive damage requiring prolonged period of restitution. Complete loss of plant, equipment & building.

Risk – Likelihood Table			
Level	Rating	Description	Frequency
5	Almost Certain	The event is expected to occur in most circumstances	More than once per year
4	Likely	The event will probably occur in most circumstances	At least once per year
3	Possible	The event should occur at some time	At least once in 3 years
2	Unlikely	The event could occur at some time	At least once in 10 years
1	Rare	The event may only occur in exceptional circumstances	Less than once in 15 years

Level of Risk Guide						
Consequence		Insignificant	Minor	Moderate	Major	Catastrophic
Likelihood		1	2	3	4	5
Almost Certain	5	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely	4	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible	3	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely	2	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare	1	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

Shire of Collie Risk Acceptance Criteria

Risk Rank	Description	Criteria	Responsibility	Entered on Risk Register
LOW (1-4)	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operational Manager	No
MODERATE (5-9)	Monitor	Risk acceptable with adequate controls, managed by specific procedures and subject to semi-annual monitoring	Operational Manager	No
HIGH (10-16)	Urgent Attention Required	Risk acceptable with excellent controls, managed by senior management / executive and subject to monthly monitoring	Director / CEO	Yes
EXTREME (20-25)	Unacceptable	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	CEO / Council	Yes

RISK ASSESSMENT

Inherent Risk	The level of risk in place in order to achieve the objectives of the Council and before actions are taken to alter the risk's impact or likelihood.
Residual Risk	The remaining level of risk following the development and implementation of Council's response.
Strategic Context	These risks are associated with achieving Council's long term objectives.
Operational Context	These risks are associated with the day-to-day activities of the Council.
Project Context	<p>Project risk has two main components:</p> <ul style="list-style-type: none"> • Direct refers to the risks that may arise as a result of project, which may prevent the Council from meeting its objectives. • Indirect refers to the risks which threaten the delivery of project outcomes.

Shire of Collie Existing Controls Ratings

Rating	Foreseeable	Description	
Effective	More than what a reasonable person would be expected to do in the circumstances. There is <u>little</u> scope for improvement.	Documentation	Processes (Controls) fully documented, with accountable 'Control Owner'.
		Operating Effectiveness	Subject to ongoing monitoring and compliance to process is assured.
		Design Effectiveness	Reviewed and tested regularly.
Adequate	Only what a reasonable person would be expected to do in the circumstances. There is <u>some</u> scope for improvement.	Documentation	Processes (Controls) partially documented, with a clear 'Control Owner'.
		Operating Effectiveness	Limited monitoring, ad-hoc approach and compliance to process is generally in place,
		Design Effectiveness	Reviewed and tested but not regularly.
Inadequate	Less than what a reasonable person would be expected to do in the circumstance. There is a <u>need</u> for improvement or action.	Documentation	Processes (Controls) not documented or no clear 'Control Owner'.
		Operating Effectiveness	No monitoring or compliance to process is not assured.
		Design Effectiveness	Have not been reviewed or tested for some time