



Shire of
Collie

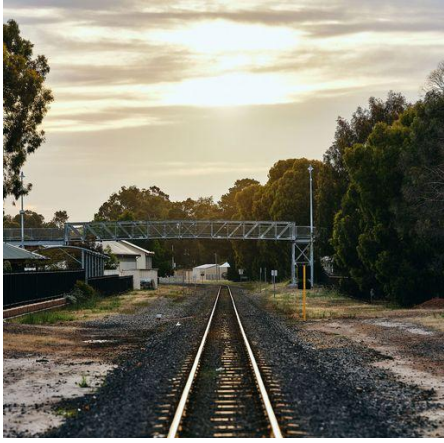
AGENDA

for the

AUDIT RISK AND IMPROVEMENT COMMITTEE MEETING

to be held on

Monday, 7 September 2026



Our Vision

Collie - *Nature at our doorstep, community at heart.*

Our Mission

The Shire of Collie delivers high quality services, advocates for Collie, and fosters partnerships to achieve better outcomes which are guided by the community's vision and balanced by responsible financial management.

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 Wiilman 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 **3:30pm**

will be held on

Monday, 7 September 2026

In Council Chambers at 87 Throssell Street, Collie

A blue ink signature, appearing to read "Phil", is written over a horizontal line.

Phil Anastasakis
Chief Executive Officer

3 September 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 Monday 7 September 2026 commencing at 3:30pm.

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 – 22 June 2026**

Officer's Recommendation:

That the Committee confirms the Minutes of the Shire of Collie Audit Committee Meeting held on 22 June 2026.

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

9. OFFICER REPORTS**9.1 Compliance Audit Return 2025**

Reporting Department:	Corporate Services
Reporting Officer:	Nicole Wasmann – Governance Coordinator
Accountable Manager:	Phil Anastasakis – Chief Executive Officer
Legislation	<i>Local Government Act 1995</i>
File Number:	GVR/015
Appendices:	Appendix 9.1.A – Compliance Audit Return 2025
Voting Requirement	Simple Majority

Report Purpose:

For the Committee to review the compliance audit return for 2025 and to report to Council the results of that review.

Officer's Recommendation:

That the Audit Risk and Improvement Committee

- 1. Notes that it has completed a review of the 2025 Compliance Audit Return.*
- 2. Recommends that Council adopts the 2025 Compliance Audit Return in accordance with regulation 14 of the Local Government (Audit) Regulations 1996 (Appendix 9.1.A).*

Background:

In accordance with the *Local Government Act 1995* and *Local Government (Audit) Regulations 1996* local governments are required to carry out an audit of compliance with statutory requirements annually.

The Compliance Audit Return (CAR) ensures local governments review their compliance with key legislative requirements under the *Local Government Act 1995* and associated regulations. This process promotes accountability, transparency, and good governance across the sector.

The CAR must be completed by the local government administration, reviewed by the Audit, Risk and Improvement Committee, and then adopted by the Council before submission to the Local Government Inspector. Normally the CAR is to be submitted by 31 March of the year following the audit period, however the submission date has been deferred in 2026 to 30 September following the commencement of the Local Government Inspector.

The Shire of Collie administration has carried out an audit of compliance and responses are included in the 2025 Compliance Audit Return included in Appendix 9.1.A.

Statutory and Policy Implications:**Local Government Act 1995****7.13. Regulations as to audits**

- (1) *Regulations may make provision as follows —*
- (i) requiring local governments to carry out, in the prescribed manner and in a form approved by the Inspector, an audit of compliance with such statutory requirements as are prescribed whether those requirements are —*
 - (i) of a financial nature or not; or*
 - (ii) under this Act or another written law.*

Local Government (Audit) Regulations 1996**14. Compliance audits**

- (1) *A local government must carry out an audit (a **compliance audit**) of the local government's compliance with the statutory requirements prescribed by regulation 13 for the period beginning on 1 January and ending on 31 December in each year.*
- (1A) *Subregulation (1) is subject to regulation 15A.*
- (2) *After a local government has carried out a compliance audit, the CEO must —*
- (a) prepare a compliance audit return in a form approved by the Inspector; and*
 - (b) give a copy of the compliance audit return to the local government's audit, risk and improvement committee.*
- (3) *The audit, risk and improvement committee must —*
- (a) review the compliance audit return; and*
 - (b) report to the council the results of that review.*
- (4) *When reporting to the council, the audit, risk and improvement committee must make any recommendations that the committee considers appropriate in relation to the compliance audit return.*
- (5) *The council must consider the compliance audit return and the results of the audit, risk and improvement committee's review (including any recommendations) at a meeting of the council.*
- (6) *The council must —*
- (a) determine if any matters raised by the audit, risk and improvement committee require action to be taken by the local government; and*
 - (b) either —*
 - (i) adopt the compliance audit return; or*
 - (ii) adopt the compliance audit return subject to amendments proposed by the council.*

15. Signed compliance audit return and other information must be given to Inspector

- (1) *After a compliance audit return has been adopted by the council under regulation 14(6)(b), the local government must give the following information to the Inspector —*
 - (a) *a copy of the compliance audit return (or amended compliance audit return, if applicable), signed by the mayor or president and by the CEO;*
 - (b) *any recommendations made under regulation 14(4) after the audit, risk and improvement committee has reviewed the compliance audit return;*
 - (c) *a copy of the relevant section of the minutes of the meeting at which the compliance audit return was adopted by the council;*
 - (d) *any additional information explaining or qualifying the compliance audit.*
- (2) *The information must be given to the Inspector no later than 31 March next following the period to which the return relates.*
- (3) *The Inspector may extend the 31 March deadline.*

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;*
- ...

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:	5.2	Good governance and financial management
Strategic Priority:	5.2.4	To benchmark against industry governance and financial standards.

Relevant Precedents:

The CAR is completed annually.

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	Compliance Audit Return 2025	
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)	Low (1 - 4)	
Risk Category Assessed Against	Health	N/A.
	Financial	N/A.
	Service Interruption	N/A.
	Legal and Compliance	Not adopting the Compliance Audit Return would result in non compliance.
	Reputational	Council’s reputation could be negatively impacted by non compliance.
	Environment	N/A.
	Property	N/A.

Comment:

In completing the CAR for the 2025 year, the following areas of non compliance have been noted:

Legislative Provision	Compliance Requirement	Detail of Non Compliance	Comment
s. 3.16 Periodic review of local laws	Review of Local Laws within the previous 8 years.	Three local laws were due for review within the previous 8 years.	A review of local laws has commenced and is due for completion in November 2026.
s. 5.46 Register of, and records relevant to, delegations to CEO and employees	At least every financial year, delegations are to be reviewed by the delegator.	A review of delegations was not undertaken between August 2023 and September 2025.	Delegations have since be reviewed in August 2026.
r. 17 CEO to review certain systems and procedures (Audit regs)	CEO to review the appropriateness and effectiveness of systems and procedures and report to the Audit Committee the results of that review	Review undertaken but not reported to Committee.	A new review is scheduled in 2026.
r. 35 Training for council members (Admin regs)	Council Members completion of Council Members Essentials course	Two elected members had not completed the course within 12 months of being elected.	Both elected members are currently completing the modules and are on track to complete prior to end of September this year.

The Committee is asked to review the CAR and provide a recommendation to Council with regards to adoption.

9.2 Western Australian Auditor General Reports

Reporting Department:	Corporate 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:	Nil
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 Audit Reports tabled by the Office of the Auditor General.

Background:

The Auditor General has tabled the following reports since the last Committee Meeting which are available on their website at <https://audit.wa.gov.au/reports-and-publications/reports/>

Date of Release	Number	Title
19 Aug 26	1	Direct Pathway Payment WA Health
17 Jun 26	19	Progress of Infant, Child, Adolescent Mental Health System
12 Jun 26	18	Cost of Supervising, Monitoring and Transporting and Accused Person While on Bail During Trial
27 May 26	17	Universities and TAFEs 2025- Financial Audit Results
22 May 26	16	Universities and TAFEs 2025 Information Systems Audit Results
20 May 26	15	Electricity Generation and Retail Corporation (Synergy) Div 3
29 Apr 26	14	Electricity Generation and Retail Corporation (Synergy) Div 1

As the reports do not directly apply to the Shire of Collie Audit Risk and Improvement Committee, they have not been included with this agenda.

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:	5.2	Good governance and financial management
Strategic Priority:	5.2.4	To benchmark against industry governance and financial standards.

Relevant Precedents:

The reports are noted at each meeting of the ARIC.

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	N/A.
	Financial	N/A..
	Service Interruption	N/A.
	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	N/A.
	Property	N/A.

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 Risk Management Governance Framework

Reporting Department:	Corporate 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:	Nil
Voting Requirement	Simple Majority

Report Purpose:

To provide an updated to the Audit Committee on the status of the Risk Management Governance Framework.

Officer's Recommendation:

That the Audit Risk and Improvement Committee notes the current status of the Shire of Collie's Risk Management Governance Framework:

Background:

Consideration of the Risk Management Government Framework for appropriateness and effectiveness is scheduled in September in the Audit Risk and Improvement Committee's 2026 Annual Audit Work Plan.

This report provides the Committee with information with regards to the current status of the Risk Management Governance Framework.

The Department of Local Government, Industry Regulation and Safety's "Risk Management Resources", notes that risk management involves establishing an appropriate framework and culture, and applying a logical and systematic method to identify and manage risks by:

- implementing and communicating an organisational policy
- balancing risk and opportunity within organisational policies
- defining the organisation's risk appetite, tolerance and likelihood guidelines
- training elected members and officers to establish the context for assessing potential risks, and
- identifying, analysing, evaluating, treating, monitoring and communicating risks associated with any activity, function or process in a way that will maximise the potential to achieve goals and objectives and minimise potential for harm or loss.

The Shire of Collie's existing Risk Management Governance Framework was last reviewed in 2014.

The Shire of Collie Risk Management Governance Framework is a structured corporate system designed to identify, assess, manage, monitor, and report organisational risks in alignment with AS/NZS ISO 31000:2018 (Risk Management – Guidelines).

The framework aims to balance a documented, structured, and systematic process with the current size and complexity of the Council.

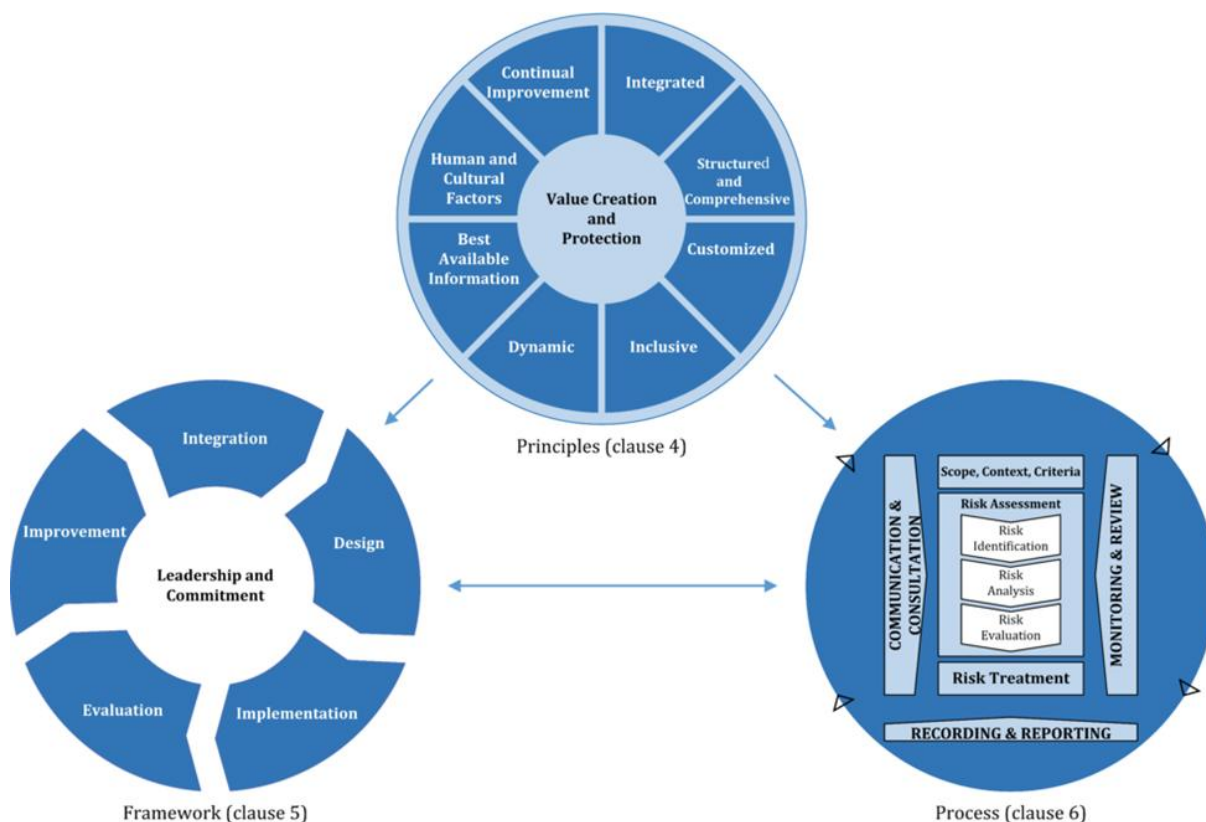


Figure 1: Relationship between the risk management principles, framework, and process
(Source: ISO 31000:2018)

In April 2026, AP017 Risk Management Administration Policy was approved by the Executive Management Team. The objective of this policy is to state the Shire of Collie's intention to identify potential risks before they occur so that opportunities can be realised and impacts can be minimised to ensure the Shire achieves its strategic and corporate objectives efficiently, effectively and within good corporate governance principles.

Over the coming months, administration will review and update the Framework to reflect contemporary risk management practices.

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:

It is intended that the Framework will be updated with existing staff resources.

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:	5.2	Good governance and financial management
Strategic Priority:	5.2.4	To benchmark against industry governance and financial standards.

Relevant Precedents:

The Shire of Collie's existing Risk Management Governance Framework was last reviewed in 2014.

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	Risk Management Governance Framework	
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)	Moderate (5 - 11)	
Risk Category Assessed Against	Health	N/A
	Financial	Lack of adequate risk control has the potential to result in financial impacts.
	Service Interruption	Lack of adequate risk control has the potential to result in service interruption.
	Legal and Compliance	Lack of adequate risk control has the potential to expose the Shire to legal and compliance
	Reputational	The Shire of Collie’s reputation could be damaged if risks are not appropriately managed.
	Environment	Lack of adequate risk control has the potential to result in environment risk.
	Property	Lack of adequate risk control has the potential to result in risk to property.

Comment:

The Committee is asked to note the current status of the Risk Management Governance Framework.

9.4 Compliance Manual	
Reporting Department:	Corporate 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:	Nil
Voting Requirement	Simple Majority

Report Purpose:

To provide the Audit Risk and Improvement Committee with an update in relation to the Compliance Manual including compliance calendar and systems.

Officer's Recommendation:

That the Audit Risk and Improvement Committee notes the report provided in relation to the implementation of the compliance manual (incorporating annual calendar) and the progress on compliance management.

Background:

The receipt of the biannual compliance report resulting from the Compliance Manual (incorporating the annual calendar) is scheduled for September in the Audit, Risk and Improvement Committee's 2026 Annual Audit Work Plan.

This report provides the Committee with an update on the current status of the Compliance Manual (incorporating the annual calendar) and the Shire's compliance management.

During 2026, the Shire of Collie implemented Attain software to assist with the management and oversight of compliance processes, including the Delegations Register and recording of the exercise of delegations, Primary and Annual Returns, and related party disclosures.

Administration officers are currently developing the compliance calendar within Attain to assist with monitoring and managing the Shire's annual compliance obligations.

It is believed that the Attain software will assist to streamline processes and strengthen the Shire's compliance oversight.

Administration staff have also undertaken a review and update of the Shire's website to ensure that registers, and other information required to be published under legislation, are current and accessible.

Additionally, updating processes and procedures is a current focus across the organisation to ensure that processes are meeting the needs of the organisation, clearly understood and communicated, and compliant with relevant legislative and best practice requirements.

As systems are further developed additional reporting formats will be developed and provided to the Committee.

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:	5.2	Good governance and financial management
Strategic Priority:	5.2.4	To benchmark against industry governance and financial standards.

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	Compliance Manual	
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)	Moderate (5 - 11)	
Risk Category Assessed Against	Health	N/A.
	Financial	N/A..
	Service Interruption	N/A
	Legal and Compliance	Not meeting statutory requirements exposes the Shire to legal and compliance risks.
	Reputational	The Shire of Collie’s reputation could be seen in a negative light if it is not compliant.
	Environment	N/A.
	Property	N/A.

Comment:

The Committee is asked to note the report provided.

9.4 Regulation 17 Review	
Reporting Department:	Corporate 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:	Nil
Voting Requirement	Simple Majority

Report Purpose:

To provide the Audit Risk and Improvement Committee with an update in relation to the Regulation 17 Review.

Officer's Recommendation:

That the Audit Risk and Improvement Committee notes the report provided in regards to the Regulation 17 Review.

Background:

The Audit Risk and Improvement Committee's 2026 Annual Audit Work Plan for September includes the following in relation to the Regulation 17 review:

- To consider the CEO's triennial review on risk management, internal control and legislative compliance.
- Set the action plan arising from auditor recommendations from the Regulation 17 review.

Following legislative changes, the period within which the review must be completed has been extended from three to four years. The previous requirement under regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996* for the CEO to review the local government's financial management systems and procedures every three years has been removed from those Regulations and incorporated into regulation 17 of the *Local Government (Audit) Regulations 1996*.

As noted during review of the 2025 Compliance Audit Return, the Shire of Collie last undertook review under Regulation 17 during 2022. The review was undertaken by an external auditor however the results of that review were not reported to the Audit Committee.

Shire administration staff are seeking quotes from auditors to undertake a Regulation 17 review. Once the Regulation 17 review is completed, the results of that review will be provided to the Committee.

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.*

17.CEO to review certain systems and procedures

- (1) The CEO must review the appropriateness and effectiveness of the local government's systems and procedures in relation to the following matters —
 - (a) financial management;*
 - (b) legislative compliance;*
 - (c) risk management.**
- (2) Under subregulation (1), the CEO may review any or all of the matters referred to in subregulation (1)(a) to (c) at any time but must review each of those matters not less than once in every 4 financial years.*
- (3) The CEO must report to the audit, risk and improvement committee the results of each review carried out under subregulation (1).*

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:	5.2	Good governance and financial management
Strategic Priority:	5.2.4	To benchmark against industry governance and financial standards.

Relevant Precedents:

The most recent review was undertaken in 2022, however the results of that review were not reported to the Committee.

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	Regulation 17 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.	
Risk Category Assessed Against	Health	N/A.
	Financial	N/A..
	Service Interruption	N/A.
	Legal and Compliance	Not undertaking a review and considering the results of that review would have a negative impact on Council for not meeting its compliance requirements.
	Reputational	The Shire of Collie’s reputation could be seen in a negative light if it was not compliance and risks were not considered and addressed.
	Environment	N/A.
	Property	N/A.

Comment:

The Committee is asked to note the report provided.

9.5 Progress on Audit Actions	
Reporting Department:	Corporate Services
Reporting Officer:	Nicole Wasmann – Governance Coordinator Geoff Lawrence – Finance Manager
Accountable Manager:	Phil Anastasakis – Chief Executive Officer
Legislation	<i>Local Government Act 1995</i>
File Number:	GOV/064
Appendices:	Appendix 9.5.A – ARIC Audit Action Plan (provided separately)
Voting Requirement	Simple Majority

Report Purpose:

To provide a consolidated report and update on audit and risk matters.

Officer's Recommendation:

That the Audit Risk and Improvement Committee receives and notes the Audit Actions Plan update as presented in Appendix 9.5.A.

Background:

To assist the Committee to carry out their functions in accordance with the Terms of Reference and legislation, it is proposed to provide a standing agenda item to the committee with a consolidated report of actions required following findings through audits or reviews.

Appendix 9.5.A will be provided at the meeting.

At the Committee meeting held on 22 June 2026, the Committee requested “that a report be provided to the next Audit Risk and Improvement Committee on the Audit Action Plan regarding the use of restricted funds. This report will be provided at the meeting.

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:

Resourcing requirements to address the matters raised are in accordance with budget provisions.

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:	5.2	Good governance and financial management
Strategic Priority:	5.2.4	To benchmark against industry governance and financial standards.

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	Progress on Audit Actions	
Inherent Risk Rating (prior to treatment or control)	Moderate (5 - 11)	
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)	Low (1 - 4)	
Risk Category Assessed Against	Health	N/A.
	Financial	That inadequate financial systems and processes result in financial loss for the Shire.
	Service Interruption	That services are interrupted due to inadequate systems or procedures.
	Legal and Compliance	That the Shire does not comply with the relevant legislation and accounting standards
	Reputational	The Shire’s reputation could be affected if the findings of the audit are not rectified.
	Environment	N/A.
	Property	N/A.

Comment:

Shire of Collie administration continues to progress audit and review actions in line with priorities and resourcing.

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.

Upcoming Meetings:

- 30 November 2026 at 3:30pm
(Subject to Audit Report being provided. Meeting may be moved to 7 December.)

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	Project risk has two main components: • 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