



SHIRE OF MORAWA

**AUDIT RISK & IMPROVEMENT
COMMITTEE MEETING**

ATTACHMENTS

Thursday, 19 March 2026



Agenda Attachments

Shire of Morawa

Audit Risk & Improvement Committee Meeting

19 March 2026

List of Attachments

Item 10 - Reports from Officers

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Audit Risk & Improvement Committee Meeting

19 March 2026

Attachment 1 *10.1a 2025 Regulation 17 Report.*

Item 10.1 **Regulation 17 Audit**



AMD. Works for me.

SHIRE OF MORAWA

2025 REGULATION 17 REVIEW
31 December 2025





13 February 2026

Marty Symmons
Chief Executive Officer
Shire of Morawa
26 Winfield Street
MORAWA WA 6623

Dear Marty

2025 REGULATION 17 REVIEW

We are pleased to present the findings and recommendations resulting from our Shire of Morawa (the "Shire") *Local Government (Audit) Regulations 1996, 2025 Regulation 17 Review*.

This report relates only to procedures and items specified within the 2025 Regulation 17 Review proposal and does not extend to any financial report of the Shire.

We recommend this report be read in conjunction with the 2025 Financial Management Systems Review Report prepared by AMD in February 2026.

We would like to thank Brad and the finance department for their co-operation and assistance whilst conducting our review.

Should there be matters outlined in our report requiring clarification or any other matters relating to our review, please do not hesitate to contact Darshita Kerai or myself.

Yours sincerely

AMD Chartered Accountants

TIM PARTRIDGE FCA
Director



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Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to review, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. This review is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed on the control procedures are on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by the Shire of Morawa's management and personnel. We have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted with the report. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with the Shire of Morawa. The review findings expressed in this report have been formed on the above basis.

Third party reliance

This report was prepared solely for the purpose set out in this report and for the internal use of the management of the Shire of Morawa. This report is solely for the purpose set out in the 'Scope and Approach' of this report and for Shire of Morawa's information, and is not to be used for any other purpose or distributed to any other party without AMD's prior written consent.



1. Executive Summary

1.1. Background and Objectives

To undertake a review of the appropriateness and effectiveness of risk management, internal controls and legislative compliance of the Shire in accordance with the *Local Government (Audit) Regulations 1996*, Regulation 17 for the period ended December 2025 (the “Review”).

Our findings included within this report are based on the site work completed by us from the 8th to 12th December 2025 and information provided subsequent to our visit. Findings are based on information provided and available to us during and subsequent to this site visit.

1.2. Summary of Findings

The procedures performed and our findings on each of the focus areas are detailed in the following sections of the report:

- Section 2 – Risk management;
- Section 3 – Internal controls; and
- Section 4 – Legislative compliance.

Following the completion of our review and subject to the recommendations outlined within sections 2 to 4, we are pleased to report that in context of the Shire’s overall internal control environment, policies, procedures and processes in place are appropriate, and have been operating effectively at the time of the review.

Findings reported by us are on an exceptions basis, and do not take into account the many focus areas tested during our review where policies, procedures and processes were deemed to be appropriate and in accordance with best practice.

The following tables provide a summary of the findings raised in this report:

	Extreme Risk	High Risk	Moderate Risk	Low Risk
Number of new issues reported	0	5	6	4

For details on the review rating criteria, please refer to Section 5.

Ref	Issue	Risk Rating
Risk management		
Shire Policies and Procedures		
2.2.1	Enhancements were identified in respect of certain Shire policies, furthermore various policies and procedures are either not in place or outdated.	High
Risk Assessment		
2.2.2	A formal risk management framework has not been established. No risk assessment procedures in place. No risk register in place. Regular risk reports are not prepared or presented to the Audit and Risk Committee	High



Ref	Issue	Risk Rating
	Tenders/ Contract Management	
2.2.3	No formal post tender/service contract performance evaluation process for major contracts and services. No tender and contract management framework outlining the approach and procedures. Various other enhancements in respect to tender and contract management identified. No tender checklist used. No tenders and contracts register in place. No formal tender assessment process in place to ensure consistent evaluation of tenders Contract risks are not formally assessed at the commencement of contracts nor are they monitored or documented.	High
2.2.4	Insurance Framework Insurance claims register is not maintained, nor is there a documented formal procedure in relation to the insurance claims process.	Moderate
2.2.5	Legal Governance No legal action register maintained nor is there a documented formal procedure in place in for managing legal matters.	Moderate
2.2.6	Lease Management No lease register maintained. Unable to determine if the Shire obtains current insurance certificate on an annual basis. No inspections carried out on the lease properties. Lease agreements not updated for some properties.	Moderate
2.2.7	Audit Committee Charter and Meetings No Audit Committee charter in place. Enhancements identified regarding Audit Committee meetings, and changes to Audit, Risk and Improvement Committee requirements effective 1 January 2026.	Moderate
2.2.8	Environmental Management Environmental plans not established for high-risk sites. Unregulated sites have not been incorporated within the environmental management framework.	Moderate
2.2.9	Work Health and Safety Enhancements identified in relation to the toolbox minutes and work health and safety requirements.	Moderate
2.2.10	Access to Waste Management Facility Gate logs recording for access to the waste facilities are not always completed.	Low
2.2.11	Councillor Induction Councillor induction packs are not provided to new Councillors upon election to the Shire Council.	Low
2.2.12	Community Satisfaction Survey No documentation available to confirm if a formal community survey has been completed.	Low
Internal controls		
3.2.1	Information Technology/ Cyber Security Assessment Various enhancements identified regarding the Shire's IT and cyber security processes, procedures and policies.	High
3.2.2	Lack of Documented Procedures and Controls for Key Operational Processes No formal procedures in place to guide critical operational processes.	High
Legislative compliance		
4.2.1	Internal Audit No internal audit program in place.	Low



2. Risk Management

2.1. Scope and approach

Our review examined the following areas:

- Whether the Local Government has an effective risk management system and that material operating risks to the Local Government are appropriately considered;
- Whether the Local Government has a current and effective Business Continuity Plan (including disaster recovery) which is tested from time to time;
- The internal processes for determining and managing material operating risks in accordance with the Local Government's identified tolerance for risk, particularly in the following areas:
 - Potential non-compliance with legislation, regulations and standards and local government's policies;
 - Important accounting judgements or estimates that prove to be wrong;
 - Litigation and claims;
 - Misconduct, fraud and theft; and
 - Significant business risks, recognising responsibility for general or specific risk areas, for example, environmental risk, occupational health and safety, and how they are managed by the local government;
- Whether regular risk reports presented to the Audit Committee/Council, which identify key risks, the status and the effectiveness of the risk management systems, to ensure that identified risks are monitored and new risks are identified, mitigated and reported;
- Adequacy of the Local Government processes to manage insurable risks and ensured the adequacy of insurance cover, and if applicable, the level of self-insurance;
- Effectiveness of the Local Government's internal control system with management and the internal and external auditors;
- Whether management has controls in place for unusual types of transactions and/or any potential transactions that might carry more than an acceptable degree of risk;
- The Local Government's procurement framework with a focus on the probity and transparency of policies and procedures/processes and whether these are being applied;
- Audit Committee meeting practices ensuring periodically meeting with key management, internal and external auditors, and compliance staff, to understand and discuss any changes in the local government's control environment; and
- Ascertained whether fraud and misconduct risks have been identified, analysed, evaluated, have an appropriate treatment plan which has been implemented communicated, monitored and there is regular reporting and ongoing management of fraud and misconduct risks.



2.2. Detailed findings and recommendations

2.2.1. Shire Policies and Procedures

Finding Rating: High

While completing a review of the Shire's internal risk management policies and procedures, we noted:

(A) Further Enhancement Required

The following policies and/or procedures required further enhancements:

- The Local Emergency Management Arrangement has not been updated since December 2020. As a result, key emergency contact details, including those of the Chief Executive Officer, are likely to be outdated following the appointment of a new CEO. The arrangement also refers to outdated AS/NZ ISO 31000:2009 Risk Management-Principles and Guidelines;
- Public Interest Disclosure (PID) Information– The procedure refers to the CEO as Scott Wildgoose however he has resigned in July 2024;
- Local Operational Recovery Plan – The plan has not been updated since December 2022 therefore doesn't reflect the current operational key damages and impacts;
- The Bushfire Risk Management Plan 2023 - 2028 refers to outdated AS/NZ ISO 31000:2009 Risk Management-Principles and Guidelines; and
- The Delegations Policy does not specify approval limits for delegated authorities, nor does it outline who is authorised to raise purchase orders or the applicable limits.

(B) No Policy or Procedure

No policies or procedures are in place in respect to:

- Fraud management including the fraud & corruption policy & fraud & corruption plan;
- Event management, public event guidelines, event approval applications;
- Use of Council facilities;
- Whistleblower policy and procedures;
- Daily banking policies & procedures;
- Environmental risk policies and procedures;
- Disciplinary policies and procedures
- Council's conflict of interest policy and procedures;
- Key hold policy and procedures;
- Store and fuel card policies and procedures;
- Performance management policy;
- Customer service standards policy;
- Cash management policy;
- Councillor communication policy;
- Records management policy;
- Sexual harassment policy;
- Workplace bullying policy;



- Vehicle Allocation and Usage;
- Community engagement policy;
- Performance Review Process;
- Community surveys.

(C) Potential Out of Date Documents

The following policies, procedures and/or plans are potentially out of date and may require review:

	Date of last review	Date of next review
Local Emergency Management Arrangement	Dec-20	no date
Child Safe Awareness Policy	20/07/2023	20/07/2025
CORP03 -Closed Circuit Television and Video Surveillance Devices Management	18/12/2023	18/12/2025
ELM03 Code of Conduct Council Members, Committee Members and Candidates	18/12/2023	18/12/2025
Code of conduct- employees	25/10/2021	no date
ELM08 Council Forums	19/11/2020	19/11/2022
ELM14 Community Projects Letters of Support	18/12/2023	18/12/2025
ELM26 Electronic Meetings and Attendance	21/11/2024	21/11/2025
EMPO1 Equal Employment Opportunity	20/07/2023	20/07/2025
EMPO4 Work Health & Safety	21/11/2024	21/11/2025
EMPO6 Removal Expenses	20/07/2023	20/07/2025
EMPO9 Staff Superannuation	20/07/2023	20/07/2025
EMP11 Gratuity payments to finishing employees	20/07/2023	20/07/2025
EMP12 Standards for CEO Recruitment, Performance and Termination	20/07/2023	20/07/2025
ENG02 Bush Fire Policy	16/12/2024	16/12/2025
ENG05 Local Gravel Supplies for Road Maintenance and Building Activities	14/09/2023	14/09/2025
FIN03 Authorised Signatures for Cheque/Electronic Funds Transfer Payments	20/07/2023	20/07/2025
FIN10 Cash Reserves Management Policy	16/12/2021	16/12/2025
RTED02 Tourism	18/12/2023	18/12/2025
Transport Asset management plan	1/04/2016	no date
Plant & equipment asset management plan	1/04/2016	no date
Human Resource Management	20/01/2022	Jan-24
Work From Home	20/01/2022	Jan-24
Meetings	13/04/2023	Apr-24
Dress Code & Uniform	8/01/2024	Jan-25
Staff housing	28/08/2024	Aug-25
Acceptable use of communication devices	20/01/2022	Jan-24
Accounts Payable - FIN11	3/06/2022	3/06/2024
Accounts Receivable	21/11/2022	No date
Request HQ Use & Administration	8/01/2024	Jan-25
Key management	15/04/2024	Apr-25
Drugs & Alcohol	5/01/2024	Jan-25
Fatigue Management	21/03/2024	Jun-25



	Date of last review	Date of next review
Work Health & Safety Framework	30/08/2024	Aug-25
Healthy Living Reimbursement	21/12/2022	20/01/2024
Leave Management	20/01/2022	20/01/2024

Our review of policies and procedures was limited to those which were provided during our onsite visit.

Implications/Risks

Lack of policies and/or procedures evidencing specific risks to the Shire. In addition, outdated policies and procedures may not reflect the actual practices followed by Shire representatives.

Recommendation

We recommend:

- those policies and procedures highlighted at (A) above are further enhanced in accordance with our findings;
- policies and procedures be developed and implemented for those identified areas of risk highlighted at (B) above; and
- those potentially out of date policies and procedures identified at (C) above, be reviewed and updated accordingly.

Management Comment

Policy review is scheduled for completion by August 2026

Responsible Officer: CEO

Completion Date: August 2026



2.2.2. Risk Assessment

Finding Rating: High

Our testing identified the following:-

- A formal risk management framework has not been established to guide the identification, assessment, management and monitoring of risks across the Shire;
- Documented risk assessment procedures are not in place, resulting in an inconsistent and ineffective approach to identifying and evaluating risks;
- A risk register has not been developed to record and monitor key strategic and operational risks, including their likelihood, impact, and mitigation strategies; and
- Regular risk reports are not prepared or presented to the Audit and Risk Committee, limiting the Committee's ability to provide effective oversight and assurance.

Implications/Risks

The lack of the above risk management documentation increases the risk that key issues are not adequately identified or managed. This restricts management's and the Audit and Risk Committee's ability to effectively monitor risks and exercise appropriate oversight, thereby increasing the Shire's exposure to operational disruption, financial loss and regulatory non-compliance.

Recommendation

We recommend:

- Develop and implement a formal risk management framework;
- Document risk assessment procedures to ensure risks are identified, assessed, and reviewed in a structured and consistent manner;
- Develop and maintain a comprehensive risk register that captures key strategic and operational risks, including risk ratings, controls, mitigation actions and assigned ownership;
- Implement regular risk reporting processes, with risk reports presented to the Audit and Risk Committee to support effective oversight and governance; and
- Provide training to relevant staff and management to promote awareness and consistent application of the risk management framework.

Management Comment

Shire Policy CORP01 Risk Management provides the Risk Management Framework. This Policy is scheduled for review by August 2026.

Risk assessment procedures will be reviewed, and reports will become a standing agenda item presented to the ARIC.

A Risk Register will be created and maintained.

Responsible Officer: EMCCS

Completion Date: August 2026



2.2.3. Tender / Contracts Management

Finding Rating: High

Through discussions with management, we noted the following:-

- There is currently no formal post-tender / contract performance evaluation process on completion of large or critical project / tenders;
- There is no organisation-wide documented tender and contract management framework outlining the approach and procedures to be followed;
- A tender/contract checklist is not in use to guide the management of tenders and contracts;
- There is no tenders & contracts register in place;
- No formal tender assessment process is in place to ensure consistent evaluation and approval of tenders;
- There is no official ongoing performance review for contracts against the budget/ timelines to demonstrate how progress is tracked against key milestones; and
- Contract risks are not formally assessed at the commencement of contracts, nor are they monitored or documented.

Implications/Risks

- Lack of formalised documentation evidencing tender / contract performance assessment;
- Without a documented tender and contract management framework, processes may be inconsistent, increasing the likelihood of errors, non-compliance, or inefficient management of contracts;
- Risk Shire representatives do not follow an appropriate and consistent process when procuring and managing tenders and contracts;
- Risk of the contractor's non-compliance with the Shire's policies, procedures including relevant ethical requirements, health and safety requirements; and
- Without formal assessment, monitoring and documentation of contract risks, the Shire may be exposed to unmanaged financial, operation and compliance risks including cost overruns, poor contractor performance and disputes.

Recommendation

- WALGA best practice guidelines recommend formal performance management assessments be completed at the end of the tender period once goods or services have been tendered;
- Develop and document a tender and contract management framework to ensure consistent and proper management of all tenders and contracts, including contract induction and periodic risk assessments;
- A compliance checklist be developed based on the tender and contract management framework and utilised by Shire representative's to ensure compliance is met on all contracts;
- Maintain a tenders and contracts register to track all active and completed tenders and contracts, their status, key dates, insurance details and obligations;



- A tender and contract performance evaluation procedure be documented, implemented through the communication to all staff and monitored on an ongoing basis to ensure compliance with stated procedures; and
- Implement a formal process to identify, monitor and document contract related risks at the commencement of each contract and throughout the contract lifecycle.

Management Comment

Tender management framework to be adopted and processes implemented.

Responsible Officer: EMCCS

Completion Date: 2026

2.2.4. Insurance Framework***Finding Rating: Moderate***

We noted the Shire does not have an Insurance Claims Register to ensure insurance claims are lodged and followed up in a timely manner after an incident.

We also noted there is no formal procedure documenting the insurance claim process to be followed.

Implications/Risks

Risk of untimely recovery of costs associated with insurance related events and risk of non-recovery of workers compensation claims.

Recommendation

We recommend insurance claims be lodged on a timely basis after incidents occur and that all claims be recorded in an appropriate Insurance Claims Register.

Furthermore, we recommend that a formal insurance claims procedure be documented, communicated to Shire staff and implemented.

Management Comment

Claims procedure to be created and register maintained.

Responsible Officer: EMCCS

Completion Date: 2026



2.2.5. Legal Governance ***Finding Rating: Moderate***

We noted that the Shire does not maintain a legal action register to ensure all legal matters are tracked and followed up in a timely manner.

We also noted there is no formal procedure documenting the processes to be followed for managing legal matters.

Implications/Risks

Risk of legal matters not being tracked or resolved in a timely manner, increasing the risk of missed deadlines, non-compliance or financial loss.

Recommendation

We recommend the Shire implement a legal action register to record, monitor, and follow up all legal matters including responsibilities and key dates.

Additionally, we recommend the Shire establish formal procedures for managing legal matters and provide regular reporting to management and Council to ensure consistent oversight.

Management Comment

Legal Action Register to be created and procedures adopted.

Responsible Officer: CEO

Completion Date: 2026



2.2.6. Lease Management

Finding Rating: Moderate

- The Shire does not maintain a lease register to record and monitor all lease agreements and related obligations;
- Inspections for the lease properties usually take place annually to ensure properties meet the environmental standards however there have been no inspections carried out this year; and
- The lease agreement for a property selected for testing (Unit 2, Lot 5 Mullewa-Rubin Rd) has not been updated to reflect current terms and conditions.

Implications/Risks

- Without the lease register, the Shire may not have full visibility of all lease arrangements, obligations and key dates, increasing the risk of missed renewals, expiries or compliance requirements;
- Failure to conduct annual inspections may result in regulatory non-compliance; and
- Outdated lease agreements could lead to disputes with lessees/lessor, unenforceable terms or potential financial exposure.

Recommendation

- Establish and maintain a lease register to record all lease arrangements where the Shire is a lessee/lessor, including key terms, renewal & expiry details, insurance details, inspection requirements and responsible officers;
- Document an annual inspection program for all leased properties to ensure ongoing compliance with environmental and safety standards; and
- Review and update all lease agreements on a timely basis to ensure they remain current and enforceable.

Management Comment

Lease Register to be created and maintained. Procedures to be updated to include renewal of insurance documents.

Responsible Officer: EMCCS

Completion Date: 2026



2.2.7. Audit Committee Charter and Meetings

Finding Rating: Moderate

We noted the following with respect to the Audit Committee and Audit Committee meetings for the year ending 31 December 2025:

- There is currently no documented Audit Committee Charter;
- There is currently no standing agenda item relating to compliance issues, and there is no mechanism in place for the Shire to report to the Audit Committee in respect of compliance obligations or breaches of compliance obligations once identified. Exception to this include the annual CAR and the findings of the Annual Audit; and
- There is currently no standing agenda item at all Audit Committee meetings whereby risk reports are to be presented.

Implication / Risk

Risk that the audit committee's responsibilities are not clearly defined.

If there is no consideration or discussion relating to risk and compliance at audit committee meetings, there is a risk of the necessary governance and oversight responsibilities not being met.

Recommendation

We recommend an Audit Committee Charter be documented and implemented clearly defining the independence, accountability, role and responsibilities and reporting arrangements for the Committee.

We also recommend consideration be given to the following standing agenda items be included for future Audit Committee meetings:

- Compliance - this report could outline upcoming compliance obligations, past compliance obligations met, and any issues that have arisen in relation to compliance obligations; and
- Risk including a risk report be presented to the Audit Committee and Council.

We also draw attention to the recent changes required pursuant to Sections 86 to 90 of the Local Government Amendment Act 2024, effective 1 January 2026, in respect to Audit, Risk and Improvement Committees, and the requirement to appoint an independent presiding member and independent deputy to the presiding member.

Management Comment:

Charter and further changes to ARIC Terms of Reference to be completed by the State Government deadline, 30 June 2026.

Responsible Officer: CEO

Completion Date: 30 June 2026



2.2.8. Environmental management

Finding Rating: Moderate

Environmental management plans have not been developed for all high-risk sites such as depots and landfill sites. In addition, smaller unregulated sites have not been incorporated within the environmental management framework.

Furthermore, documented plans and procedures to support the safe disposal of hazardous waste are not fully established.

Implication / Risk

Lack of Environmental Management Plans and documented hazardous waste procedures for high risk and unregulated sites may lead to increased likelihood of environmental incidents such as contamination of sites and operational inefficiencies.

Recommendation

Develop and implement a comprehensive Environmental Management Plan for all high risk and unregulated sites, establish formal procedures for hazardous waste disposal and conduct environmental risk assessments with documented mitigation measures to ensure regulatory compliance and effective environmental risk management.

Management Comment:

Plans to be established and incorporated into framework.

Responsible Officer: MWS

Completion Date: 2026



2.2.9. Work Health and Safety

Finding Rating: Moderate

Information unavailable to confirm if testing is completed to ensure the Council is compliant with S/NZS 4801:2001 Occupational Health and Safety Management Systems including completion of a 4801 audit, developing, prioritising and implementing appropriate audit plan.

Additionally, copies of the works department's safety and toolbox meeting minutes are not available.

Implications/Risks

The absence of evidence confirming compliance with S/NZS 4801:2001 and incomplete documentation of safety meetings increase the risk of workplace incidents, regulatory non-compliance, and liability exposure.

Recommendation

We recommend to complete all required WHS audits and testing to ensure compliance with S/NZS 4801:2001 and document all safety and toolbox meetings.

Management Comment

Toolbox and WHS meeting records are available for 2026.

A WHS resource is to be sourced to review existing policies, procedures and registers to ensure they are up-to-date and compliant with current standards and guidelines.

Responsible Officer: MWS

Completion Date: 2026



2.2.10. Access to Waste Management Facility

Finding Rating: Low

Our review and discussions with management confirmed that a gate log recording access to the waste management facility exists, however entry and exit of vehicles and personnel are not always recorded, which compromises the ability to monitor and control facility access.

Implications/Risks

Failure to maintain gate logs for the waste management facility compromises access control, potentially leading to unauthorized entry, improper waste disposal, and environmental risks.

Recommendation

Implement and enforce strict gate log procedures for the waste management facility, ensuring all access is accurately recorded and regularly reviewed to maintain proper control and compliance.

Management Comment

Compliance training to be completed.

Responsible Officer: MWS

Completion Date: 30 June 2026



2.2.11. Councillor Inductions

Finding Rating: Low

While an informal Councillor induction is completed by the CEO for newly elected Councillors, we noted there is currently no formal Councillor Induction Pack or handbook provided to Councillors.

Implications/Risks

Risk relevant documentation and information is not provided to or communicated to the newly elected Councillors to enable them to fulfil their responsibilities.

Recommendation

We recommend a formal Councillor Induction Pack be developed and provided to all newly elected Councillors. An effective Councillor Induction Pack can build early positive relationships and teamwork between Councillors and management, increase productivity and provide essential knowledge from the moment a Councillor is elected.

Management Comment

Councillor Induction Packs to be created and provided to new Councillors.

Responsible Officer: CEO

Completion Date: 30 June 2026



2.2.12. Community Satisfaction Survey

Finding Rating: Low

As per discussion with management, due to staff change over, documentation is not available to confirm whether a formal community survey has been carried out to measure resident's satisfaction with the Shire's services, facilities and overall performance.

Implications/Risks

The Shire has limited assurance that its services and facilities align with community needs and expectations. The absence of reliable community feedback may reduce the effectiveness of strategic planning, performance monitoring and continuous improvement.

Recommendation

We recommend the Shire conduct and document the community satisfaction survey to regularly measure the residents' satisfaction with the Shire facilities and services and use the results for the Shire's long term plans.

Management Comment

Community Survey to measure resident's satisfaction with the Shire's services, facilities and overall performance to be completed.

Responsible Officer: MCO

Completion Date: 2026



3. Internal controls

3.1. Scope and approach

In accordance with our quotation dated September 2023, our review examined the following areas:

- Segregation of roles and functions, processing and authorisation controls;
- Delegations of authority (completeness and adherence);
- Documented policies and procedures;
- The effectiveness of policy and process reviews;
- Approval of documents, letters and financial records;
- Management internal reviews undertaken in respect to comparison of internal data with external sources of information;
- The adequacy of internal controls;
- Security controls in respect to physical access to assets and records;
- Security controls in respect to computer applications and information systems (general and application IT controls);
- Access limits placed on data files and systems;
- Whether the maintenance and review of financial control accounts and trial balances is regular and appropriate;
- Key management internal reviews undertaken in respect to comparison and analysis of financial results with budgeted amounts;
- Key management internal reviews undertaken in respect to the arithmetical accuracy and content of records;
- Controls in respect to purchasing and payment of accounts;
- Effectiveness of the training and development plan for staff and elected members; and
- Reporting, review and approval of financial payment and reconciliations; and
- Physical cash and inventory count records when compared to accounting records.



3.2. Detailed findings and recommendations

3.2.1. Information Technology / Cyber Security Assessment

Finding Rating: High

Our observations and enquiries in respect to information technology (“IT”) and cyber security identified the following:

- There is no approved IT Business Continuity and disaster recovery plan in place;
- There is no IT risk register in place;
- There is no cyber security response plan in place;
- There is no IT policy / Cyber security policy in place;
- There is no IT-related strategy to guide the technological decisions and initiatives;
- Vulnerability assessment and penetration testing have not been performed as part of the cyber security risk assessment process;
- There is no policy in place governing the physical access and logical access to IT applications;
- There is no formal change management policy in place which is crucial for controlling and tracking changes to IT Systems and infrastructure; and
- Users are not prompted to change their login passwords on a regular basis.

Implication / Risks

- Without an appropriate plan in place, the Shire may not be sufficiently prepared to act in the event of a cyber security threat or staff may not be aware of processes that should be followed. This may lead to the Shire's system being compromised, impacts on service delivery, unauthorised access to sensitive information, and potentially financial loss to the Shire;
- Lack of adequate risk assessment identification, evaluation and mitigating internal control processes in relation to Information Technology and cyber security risks;
- The absence of clear IT policies/ Cyber security policy exposes organisations to security risks, data breaches and inefficiencies;
- Failure to conduct Vulnerability Assessment and Penetration testing leaves the Shire unaware of potential security vulnerabilities, increasing the risk of cyber attacks and data breaches with potential consequential impact to operations;
- The absence of policies for physical and logical access to the Shire's IT applications and infrastructure poses a significant security risk, potentially increasing the risk of unauthorised individuals gaining access to sensitive information and systems;
- The absence of a formal change management policy makes it difficult to track and control changes to IT systems and infrastructure, increasing the risk of unintended consequences and disruptions to operations; and
- Risk of unauthorised personnel gaining access to Shire's information.

Recommendation

We recommend:

- Implementing an IT Disaster Recovery Plan and Business Continuity Plan as soon as practical. Once implemented and communicated to staff, we recommend the entity



develop a process to test and evaluate the IT Disaster Recovery Plan to ensure it is adequate and will effectively mitigate disruption in the event of unforeseen circumstances. The plan should also address the storage and testing of IT system backups;

- A comprehensive risk identification, evaluation and mitigation process be undertaken to ensure all potential risks associated with Information technology, specifically cyber security are considered and documented. Subsequently we recommend the risk register be updated to include specific Information Technology and cyber security risks such as ransomware breaches, data breaches due to phishing emails, general data breaches, reputational damage and related media which may be required in the event of a cyber security breach etc;
- A cyber security plan should be developed, including (but not limited to) covering the following key areas:-
 - Risk assessment of the Shire's IT security control environment;
 - Identification of safeguards and protections in place; and
 - Action plan in the event of a cyber security event, including outlining the roles and responsibilities of staff during such an event
- Establish and implement an IT policy/cyber security policy;
- Conduct regular Vulnerability Assessment and Penetration testing to identify and address potential security vulnerabilities;
- Establish policies and procedures for physical and logical access control to safeguard sensitive information and systems from unauthorised access;
- Establish and implement a formal change management policy to track and control changes to IT systems and infrastructure, minimising potential disruptions; and
- Systems used by Shire be set up to prompt users to change their passwords on a regular basis.

Management Comment

Management had commenced investigating these findings prior to the audit with our external IT service provider. A review of the terms of the agreement and deliverables from the external provider is underway to assist with understanding items that are in scope of the agreement and what the provider has in place to address these requirements. The completion date will reflect the outcome of the review.

Responsible Officer: EMCCS

Completion Date: 2026



3.2.2. Lack of Documented Procedures and Controls for Key Operational Processes

Finding Rating: High

There are no formal procedures in place to guide critical operational processes including procurement, induction, payroll, revenue management, asset management, month end processes, tendering and contracting.

Rating: Significant

Implication / Risks

The absence of documented procedures and controls increases the risk of inconsistent practices, errors, mismanagement, and non-compliance with regulatory or internal requirements. It may also reduce accountability and traceability of key operational activities.

Recommendation

It is recommended that management develop and implement formal procedures for all key operational processes.

Management Comment

The Shire does hold some processes and policies to address these requirements. A review of the existing processes will be undertaken with the view to formalise essential items and update policies where required.

Responsible Officer: EMCCS

Completion Date: 2026



4. Legislative compliance

4.1. Scope and approach

In accordance with our quotation dated September 2023, our review examined the following areas:

- Internal monitoring of compliance with legislation and regulations;
- The Local Government's ability to stay informed regarding legislative changes;
- The Local Government's completion of the annual Compliance Audit Return and reporting the results of that review to the Audit Committee and Council;
- The monitoring of the Local Government's structured guidelines that detail the Local Government's processes for meeting statutory obligations (compliance frameworks);
- Communications between key management and the Audit Committee to ensure the Audit Committee is informed in respect to the effectiveness of the Local Government's compliance and recommendations for changes as required;
- The Local Government's procedures in respect to receiving, retaining and handling complaints, including confidential and anonymous employee complaints;
- Key managements internal review processes in respect to the identification of adverse trends and management plans to address these;
- Management disclosures in financial reports of the effect of significant compliance issues (if any);
- The internal and / or external audit contracts include an assessment of compliance and ethics risks in the development of the audit plan and in the conduct of audit projects, and report compliance and ethical issues to the Audit Committee; and
- The Audit Committee's processes and procedures in respect to compliance with legislative and regulatory compliance ensuring no misuse of position through adequate disclosure of conflicts of interest.



4.2.Detailed findings and recommendations

4.2.1. Internal Audit

Finding Rating: Low

We note the Shire does not currently have a formal documented internal audit program in place.

Implications/Risks

Risk of non-compliance with Department of Local Government, Industry Regulation and Safety Guidelines recommended practices.

Recommendation

Department of Local Government, Industry Regulation and Safety Guidelines recommend an internal function be established incorporating an internal audit program which is re-assessed annually.

Should the Shire consider that an internal audit function is not required, we suggest the Audit and Risk Committee formally document they have considered the best practice guideline and the reasons they feel it is not necessary.

Management Comment

A formal documented internal audit program to be established.

Responsible Officer: CEO

Completion Date: 2026



Guidance on Risk Assessment

Risk is uncertainty about an outcome. It is the threat that an event, action or non-action could affect an organisation's ability to achieve its business objectives and execute its strategies successfully. Risk is an inherent component of all service activities and includes positive as well as negative impacts. As a result not pursuing an opportunity can also be risky. Risk types take many forms – business, economic, regulatory, investment, market, and social, just to name a few.

Risk management involves the identification, assessment, treatment and ongoing monitoring of the risks and controls impacting the organisation. The purpose of risk management is not to avoid or eliminate all risks. It is about making informed decisions regarding risks and having processes in place to effectively manage and respond to risks in pursuit of an organisation's objectives by maximising opportunities and minimising adverse effects.

Our risk guidelines are based on the Risk Management – Guidelines Standard AS / NZS ISO 31000-2018 and/or the Shire of Upper Morawa's Risk Management Framework.

Our guidance to risk classification in completing our review is as follows:

Measure of Likelihood of Risk

Likelihood is the chance that the event may occur given knowledge of the organisation and its environment. The following table provides broad descriptions to support the likelihood rating:

Likelihood Level	Description
Almost Certain	The event is expected to occur in most circumstances, at regular intervals or with a probability of occurring greater than 90%
Likely	The event will probably occur, potentially once a year or with a probability of 60%-90%
Possible	The event may occur, likely to occur at least once in every 4-year period, or with a probability of 30%-60%
Unlikely	The event may occur but is not expected likely, may happen a few times a decade, or with a probability of 5-30%
Rare	The event may only occur in highly infrequent or unexpected circumstances, less than once in a 20-year period, or a less than 5% chance of occurring
Negligible	Whilst not incorporated in risk assessment, this likelihood will allow the Shire to review risks that have very little chance that they will ever occur and would be unprecedented if they did. This demonstrates awareness of the risk in case the likelihood changes in future.

**Above Extracted from the Shire's Risk Management Policy.*



Measure of Consequence of Risk

Consequence is the severity of the impact that would result if the event were to occur. The following table provides broad descriptions to support the consequence rating:

1. **Health and Safety** – consequences that may impact the health and safety of employees, community members, or other stakeholders.
2. **Financial** – budgetary deviations or impacts on the Shire’s long term financial planning objectives
3. **Service Interruption** – the inability to deliver a service or to deliver a service to the standard expected by the Shire’s customers
4. **Compliance** – the Shire operates in a heavily regulated environment and risk occurrences may impact on the Shire’s ability to remain compliant under a particular legislative or regulatory environment
5. **Reputational** – Whilst the Shire is not a private enterprise that benefits from reputational goodwill, an eroded reputation impacts on community and sector trust in the Shire’s operations. This can have long-term damaging effects.
6. **Property and Environment** – impacts on property or environmental features belonging to the Shire, district at large, or broader areas.

Above Extracted from the Shire’s Risk Management Policy.

Risk Analysis Matrix – Level of Risk

Finding Rating for each audit issue was based on the following table:

Consequence Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	Moderate	High	High	Extreme	Extreme
Likely	Low	Moderate	High	High	Extreme
Possible	Low	Moderate	Moderate	High	High
Unlikely	Low	Low	Moderate	Moderate	High
Rare	Low	Low	Low	Low	Moderate

**Above Extracted from the Shire’s Risk Management Policy.*

Shire of Morawa



Audit, Risk & Improvement Committee

Meeting

19 March 2026

Attachment 1 ***Attachment 1 – 10.2a 2025 FMSR Report.***

Item 10.2 ***Financial Systems Management Audit***



AMD. Works for me.

SHIRE OF MORAWA

2025 FINANCIAL MANAGEMENT SYSTEM REVIEW





13 February 2026

Marty Symmons
Chief Executive Officer
Shire of Morawa
26 Winfield Street
MORAWA WA 6623

Dear Marty

2025 FINANCIAL MANAGEMENT SYSTEMS REVIEW

We are pleased to present the findings and recommendations resulting from our Shire of Morawa (the "Shire") Local Government (Financial Management) Regulation 1996, Financial Management System Review.

The primary objective of our Financial Management System Review was to assess the adequacy and effectiveness of systems and controls in place within the Shire of Morawa.

We recommend this report be read in conjunction with the 2025 Regulations 17 Review Report prepared by AMD in February 2026.

We acknowledge that the Executive Team were all appointed in recent months prior to our review, as a result some documentation requested by us could not be located. Any documents requested by us which were not provided has been noted as a limitation within our report. We would like to thank Brad and the finance department for their co-operation and assistance whilst conducting our review.

Should there be matters outlined in our report requiring clarification or any other matters relating to our review, please do not hesitate to contact Darshita Kerai or myself.

Yours sincerely

AMD Chartered Accountants

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Director



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Inherent limitations

Due to the inherent limitations of any internal control structure, it is possible that fraud, error or non-compliance with laws and regulations may occur and not be detected. Further, the internal control structure, within which the control procedures that have been subject to review, has not been reviewed in its entirety and, therefore, no opinion or view is expressed as to its effectiveness of the greater internal control structure. This review is not designed to detect all weaknesses in control procedures as it is not performed continuously throughout the period and the tests performed on the control procedures are on a sample basis. Any projection of the evaluation of control procedures to future periods is subject to the risk that the procedures may become inadequate because of changes in conditions, or that the degree of compliance with them may deteriorate.

We believe that the statements made in this report are accurate, but no warranty of completeness, accuracy or reliability is given in relation to the statements and representations made by, and the information and documentation provided by the Shire of Morawa's management and personnel. We have indicated within this report the sources of the information provided. We have not sought to independently verify those sources unless otherwise noted with the report. We are under no obligation in any circumstance to update this report, in either oral or written form, for events occurring after the report has been issued in final form unless specifically agreed with the Shire of Morawa. The review findings expressed in this report have been formed on the above basis.

Third party reliance

This report was prepared solely for the purpose set out in this report and for the internal use of the management of the Shire of Morawa. This report is solely for the purpose set out in the 'Scope and Approach' of this report and for the Shire of Morawa's information and is not to be used for any other purpose or distributed to any other party without AMD's prior written consent.



1. Executive Summary

1.1. Background and Objectives

The primary objective of our Financial Management System Review (FMSR) was to assess the adequacy and effectiveness of systems and controls in place within the Shire.

The responsibility of determining the adequacy of the procedures undertaken by us is that of the Chief Executive Officer (CEO). The procedures were performed solely to assist the CEO in satisfying his duty under Section 6.10 of the Local Government Act 1995 and Regulation 5(1) of the Local Government (Financial Management) Regulations 1996.

Our findings included within this report are based on the site work completed by us from 8th to 12th December 2025. Findings are based on information provided and available to us during and subsequent to this site visit.

1.2. Summary of Findings

The procedures performed and our findings on each of the focus areas are detailed in the following sections of the report:

- Section 2 – Collection of money;
- Section 3 - Custody and security of money;
- Section 4 - Maintenance and security of the financial records;
- Section 5 - Accounting for municipal or trust transactions;
- Section 6 - Authorisation for incurring liabilities and making payments;
- Section 7 - Maintenance of payroll, stock control and costing records; and
- Section 8 - Preparation of budgets, budget reviews, accounts and reports required by the Act or the Regulations.

Following the completion of our review and subject to the recommendations outlined within sections 2 to 8, we are pleased to report that in context of the Shire's overall internal control environment, policies, procedures and processes in place are appropriate, and have been operating effectively at the time of the review.

Findings reported by us are on an exceptions basis, and do not take into account the many focus areas tested during our review where policies, procedures and processes were deemed to be appropriate and in accordance with better practice.



The following tables provide a summary of the findings raised in this report:

	Extreme Risk	High Risk	Moderate Risk	Low Risk
Number of new issues reported	0	4	4	3

For details on the review rating criteria, please refer to Section 9.

Ref	Issue	Risk Rating
2. Collection of money		
2.2.1	Independent Review of Rate Notices Rate notices prepared by the Shire's external rate contractor are not subject to independent review prior to being issued.	High
3. Custody and security of money		
We have no findings to raise in respect to the custody and security of money		
4. Maintenance and security of financial records		
4.2.1	Key Security and Registers Enhancements were identified in respect of the Shire's processes regarding key security and maintenance of key registers.	Moderate
4.2.2	Fixed Asset The Shire does not maintain the portable asset register, and regular asset stocktakes are not complete.	Low
5. Accounting for municipal or trust transactions		
5.2.1	Monthly Reconciliations The monthly reconciliation checklist is not fully completed. The Shire utilises a compliance calendar however the version provided to us was not fully complete. Month end reconciliations were not consistently signed by a Shire officer as evidence of independent review following completion each month. The fixed asset register is not reconciled on a monthly basis. We identified various key balance sheet reconciliations which are not prepared on a monthly basis.	High
5.2.2	Investments The Shire does not have an investment strategy/plan in place. No formal procedures in place for reinvesting or the rollover of term deposits.	Moderate
6. Authorisation for incurring liabilities and making payments		
6.2.1	Asset capitalisation and depreciation policy No documented asset capitalisation or depreciation policy in place.	Low
7. Maintenance of payroll, stock control and costing records		
7.2.1	Payroll Exceptions Sample testing identified exceptions in respect to human resource policies and payroll procedures.	High
7.2.2	Fuel Cards Enhancements were identified in respect of the Shire's processes regarding fuel cards and fuel usage analysis.	Moderate
7.2.3	Depot Security Suggestion for consideration regarding Shire Depot access and consumable inventory controls.	Moderate
7.2.4	Works Costing and Private Works Lack of documentation to support approval of works costing percentage allocations completed by external accountant. No private works policy in place.	Low
8. Preparation of budget, budget reviews, accounts and reports required by Regulations		
8.2.1	Legislative Non-Compliance Testing identified non-compliance with the Local Government Act and associated Regulations.	High



1.3. Limitations

We draw your attention to the following limitations:

- We were not required to and did not undertake an audit in accordance with Australian Auditing Standards. Consequently, no assurance will be expressed.
- We have not verified the authenticity or validity of the documentation made available to us.
- We have included information that we obtained verbally in this document. We cannot verify that this information is credible or truthful.
- Details in respect of actual procedures followed for rates (invoicing and receipting) and contracts were not provided to us following our requests. As a result our testing was limited to information provided and is based on minimum requirements.
- If additional or new documentation or information is brought to our attention subsequent to the date of this report, which would affect the observations detailed below, we reserve the right to amend our findings accordingly.

2. Collection of money

2.1. Scope and approach

Conducted site visits of cash collection points to review the controls and procedures over the collection, receipting, recording and banking of cash collected offsite.

Site visits were completed for the following locations operated by the Shire:

- Shire of Morawa Administration Office;
- Morawa Caravan Park; and
- Morawa Swimming Pool

The following procedures were completed (as applicable) at each site:

- Documented internal controls, procedures and reconciliations in relation to all source of income;
- Tested collection, receipting, invoicing and posting procedures over cash receipts on a sample basis
- Counted petty cash and float on hand ensuring materially correct;
- Reviewed fees and charges schedule and ensure adequate internal controls in place over receipting; and
- Reviewed credit control procedures in respect to sundry debtors and rate debtors.



2.2.Detailed findings and recommendations

2.2.1 Independent Review of Rate Notices

Finding Rating: High

Rates invoicing is managed by an external rates contractor, who will update the rating system once the rateable amounts have been set through the budget approval process. Following this update, the contractor sends the rates notices to management for issue to rate payers; however there is no evidence that notices are reviewed independently.

Furthermore, interim rates notices issued by the external rates contractor following receipt of revised valuations from Landgate throughout the year are also not independently reviewed by Shire management.

Implication / Risks

The lack of management review over rate notices increases the risk of errors, misstatements, and potential non-compliance with regulations. Without oversight, incorrect rates may be issued to residents leading to financial discrepancies.

Recommendation

We recommend a management review process be implemented to ensure that the rate notices issued by the Shire are reflective of the rates adopted by Council through the budget adoption process and any subsequent updated valuations received.

Management Comment

Shire will create a high level process that enables the review a number sample of rates over a defined period to ensure rates invoiced match the value adopted in the annual budget.

Responsible Officer: EMCCS

Completion Date: August 2026



3. Custody and security of money

3.1. Scope and approach

Reviewed the security of cash and banking procedures to ensure appropriate controls and procedures are in place.

Site visits were completed for the following locations operated by the Shire:

- Shire of Morawa Administration Office;
- Morawa Caravan Park; and
- Morawa Swimming Pool

The following procedures were completed (as applicable) at each site:

- Conducted site visits of cash collection points to review the controls and procedures over the collection, receipting, recording and banking of cash collected offsite; and
- Reviewed the security of cash and banking procedures to ensure the appropriate controls and procedures are in place.

Please note – Testing completed and procedures performed in respect to custody and security of money should be reviewed in conjunction with “Section 2 – Collection of Money”.

3.2. Detailed findings and recommendations

Our review indicated the custody and security of money is in line with best practice and was found to be operating effectively.

Accordingly, we have no recommendations to raise in respect to the custody and security of money by the Shire.



4. Maintenance and security of the financial records

4.1. Scope and approach

- Reviewed information technology systems to assess physical security, access security, data backups, contingency plans, compliance and systems development; and
- Reviewed registers maintained (including key register, tender register, gifts and travel registers etc.) and Council minutes.

4.2. Detailed findings and recommendations

4.2.1 Key Security and Registers

Finding Rating: Moderate

Our observations and enquiries indicated the following in respect to key security and key registers:

- There is no documented procedure/policy in place relating to access of motor vehicles, machinery, or for property keys stored at the Depot and the Administration Office;
- The keys at the Depot are not locked therefore accessible by anyone; and
- There is no key register or sign in/sign out listing-maintained recording access of keys and use of Shire vehicles.

Implication / Risks

- Increased risk of theft and misuse of Council property.
- Risk of potential unauthorised access to Shire assets.

Recommendation

We recommend:

- A documented procedure/policy be developed and implemented relating to the access of motor vehicles, machinery and keys at the Depot and Administration Office;
- Depot keys be secured and locked in a cabinet restricting access to only authorised personnel; and
- A key register for shire vehicles be maintained.

Management Comment

Shire is currently purchasing an additional key lock box for the Depot for plant keys. The Administration building already uses this practice.

A documented procedure will be created to advise who to manage and track keys and the usage of vehicles. The Administration key register will be extended to the Depot Team Leaders to manage keys related to Depot plant

Responsible Officer: EMCCS

Completion Date: June 2026



4.2.2 Fixed Asset

Finding Rating: Low

Our testing identified the following:-

- There is no portable asset register maintained by the Shire; and
- There is no review of obsolete fixed assets or assets no longer in use undertaken.

Implication / Risks

- Increased risk of asset misplacement, theft or unauthorised use; and
- Risk of inaccurate fixed asset records increasing the risk of misstatement of fixed assets.

Recommendation

We recommend:

- A portable asset register be maintained to ensure adequate tracking and accountability of all Shire assets; and
- An asset stocktake be undertaken on a regular basis to verify their condition with any obsolete or non-functional assets being impaired or written off as required.

Management Comment

Management acknowledges the finding. While a portable asset register exists, we recognise that it has not been kept current. The Shire will conduct a comprehensive review of the existing register, reconciling it against current holdings to ensure all items are captured.

A formal annual stocktake procedure will be implemented to verify asset condition and location. This process will include a mandatory review for obsolescence, with a report provided to Finance for necessary impairments or write-offs.

Responsible Officer: MWS & EMCCS

Completion Date: 2026



5. Accounting for municipal or trust transactions

5.1. Scope and approach

- Reviewed all monthly reconciliations including bank, sundry debtors, sundry creditors, fixed assets, rates debtors and rateable value reconciliations ensuring correctly reconciled and reviewed;
- Reviewed and tested in detail most recent municipal and trust bank reconciliations prepared;
- Reviewed processes in respect to BAS, FBT Return and other statutory returns preparation;
- Reviewed use of reserve funds and determined whether changes in reserve purposes have been budgeted or public notice was provided;
- Reviewed trust ledger balances;
- Reviewed policies and procedures in respect to insurance, recording claims and insuring newly acquired assets; and
- Reviewed policies and procedures related to investment strategy and investment review processes.

5.2. Detailed findings and recommendations

5.2.1 Monthly Reconciliations

Finding Rating: High

Our observations and enquiries indicated the following in respect to monthly reconciliations:

- The monthly reconciliation checklist provided to us had not been updated or fully completed;
- A compliance calendar is in place however it is not fully completed. For example, there are no details of who has completed the relevant tasks, the date of completion, outstanding action items etc;
- The debtors' and creditors' reconciliations and trial balance are prepared in Excel however not all months were signed and dated by the preparer and independent reviewer;
- The rates debtors and rates valuation reconciliation are prepared externally however not reviewed by the Shire;
- The asset reconciliations are prepared externally however not reviewed by the Shire;
- The fixed asset register is only reconciled subsequent to end of financial year and therefore it is not updated for additions or disposals as they occur;
- The following key balance sheet reconciliations are not currently prepared on a monthly basis:-
 - Provision for employee leave;
 - Asset reconciliations;
 - Loans / Self Supporting Loans; and
 - Term Deposits



Implication / Risks

- Risk of material misstatement or error not detected on a timely basis;
- Delaying asset register updates until year end risks misstated asset values and depreciation, diminished control over additions and disposals and increased likelihood of audit adjustments or qualifications; and
- Deficiency in internal controls, increasing the likelihood of unauthorized transactions or fraud.

Recommendation

We recommend:

- Key account reconciliations, as a critical internal control, be independently reviewed, signed, and dated by the reviewer each month when prepared;
- The monthly reconciliation checklist be updated and used during the month end reconciliation process;
- Training be provided to staff involved in key monthly reconciliations to ensure compliance with financial management regulations and best practices;
- Fixed asset register be updated when asset additions and disposals occur and reconciled to the general ledger as part of the month end reconciliation process; and
- Key balance sheet reconciliations be prepared at month end for those accounts not currently completed as identified above including independent review and sign off.

Management Comment Shire will investigate the items noted and seek to create formalised processes for the inclusion of these items in the monthly reconciliation.

Responsible Officer: EMCCS

Completion Date: 2026\2027



5.2.2 Investments

Finding Rating: Moderate

Our observations and enquiries indicated there is no investment strategy/plan in place.

Implication / Risks

- An investment strategy/plan is crucial to aligning the investments with the business objectives. The absence of an investment strategy hinders the Shire's ability to make informed decisions potentially leading to inefficiencies and missed opportunities.

Recommendation

We recommend the Shire establish and implement an investment strategy to guide critical decisions and initiatives, aligning them with the Shire's overall business objectives; and

Management Comment: Investment strategy to be drafted for council consideration and adoption, aligning with the Shires Strategic Documents and the Long Term Financial Plan.

Responsible Officer: EMCCS

Completion Date: 2026



6. Authorisation for incurring liabilities and making payments

6.1. Scope and approach

- Reviewed controls and procedures over the authorisation of purchase orders and approval of payments;
- Tested sample of payments to ensure compliance with stated procedures;
- Reviewed credit card processes and procedures, and testing transactions on a sample basis;
- Reviewed petty cash processes and procedures, and testing transactions on a sample basis;
- Completed sample testing of asset additions and asset disposals;
- Reviewed asset capitalisation and depreciation policy and ensure compliance with stated policies; and
- Reviewed new loans received ensuring budgeted for or public notice provided.

6.2. Detailed findings and recommendations

6.2.1 Asset Capitalisation and Depreciation Policy

Finding Rating: Low

We noted there is no documented asset capitalisation policy or depreciation policy in place.

Implication

Without a clear policy, assets may be incorrectly classified or depreciated, potentially resulting in inaccurate financial statements, regulatory non-compliance and potential audit findings.

Recommendation

We recommend an Asset Capitalisation and Depreciation Policy be established to ensure consistent classification, valuation, and depreciation of assets in accordance with accounting standards and regulatory requirements. This policy will enhance financial reporting accuracy, support effective asset management, improve budgeting and decision-making.

Management Comment: Asset Capitalisation and Depreciation Policy to be drafted for council consideration and adoption.

Responsible Officer: EMCCS

Completion Date: 2026



7. Maintenance of payroll, stock control and costing

7.1. Scope and approach

- Completed site visit to the Depot including the fuel bowzers to review security over stocks held and allocation / costings of stocks used (including fuel and inventory stocks);
- Reviewed of the allocation of public works overheads, plant operating costs and administration overheads completed;
- Reviewed payroll controls and procedures to ensure effective controls are in place, and complete tests on a sample basis to ensure these controls were operating effectively;
- Reviewed procedures and policies in place in respect of human resource management legislative and compliance requirements, recruitment, performance appraisal, disciplinary and termination procedures and leave entitlements;
- Reviewed listing of leave taken by employees ensuring authorised leave forms completed; and
- Reviewed annual leave balances and identify employees with more than eight weeks annual leave.

7.2. Detailed findings and recommendations

7.2.1 Payroll Exceptions

Finding Rating: High

Our sample testing identified the following: -

- Payroll master file changes are not subject to management review or monitoring. In addition, no audit trail or supporting documentation is maintained to evidence or substantiate such changes
- Staff performance reviews are not performed for all employees;
- Termination checklist is not completed when an employee either resigns or is terminated; and
- One employee with excess of 8 weeks annual leave and one employee with excess of 12 weeks of long service leave at the time of our review.

Implication

- The absence of management oversight, audit trails and supporting documentation over payroll master file changes increases the risk of unauthorised amendments. This may result in inaccurate payroll processing, potential fraud, non-compliance with internal policies or regulatory requirements and difficulties in detecting and investigating payroll-related discrepancies;
- Risk employee performance is not appropriately recognised and/or underperformance addressed.
- Risk that employee training and development needs are not identified.
- Risk that tasks required to be undertaken and following an employee's departure are not completed on a timely basis; and
- The cost to the shire is greater if leave is not paid on a regular basis due to the cumulative effect of salary increasing over a period of time. In addition, recreational



leave enhances employee performance, and it is a fundamental principle of good internal control that all employees take regular leave.

Recommendation

We recommend:

- Implement formal controls over payroll Masterfile changes, including documented authorisation and independent review of all amendments; Employee performance reviews be conducted on a regular basis and documented on employee files, at a minimum annually;
- The Shire complete a termination checklist when an employee resigns or is terminated and the checklist to be signed by the preparer and reviewer; and
- The Shire manage and monitor the excessive leave balances to reduce the liability, risk of business interruption and potential fraud.

Management Comment

While the system maintains a change log, we acknowledge the lack of independent oversight. Management will implement a monthly review process where an officer independent of the payroll function verifies all Masterfile amendments against supporting documentation.

While performance reviews are conducted, the process will be reviewed and updated inclusive of providing a clear audit trail to ensure compliance.

A formal termination checklist will be developed and integrated into the offboarding process.

Leave reduction plans are being actioned to reduce leave liability and promote employee wellbeing.

Responsible Officer: EMCCS & CEO

Completion Date: October 2026



7.2.2 Fuel Cards

Finding Rating: Moderate

Our testing identified the following with respect to fuel cards:-

- There is no fuel card policy;
- There are no fuel card agreements in place;
- There is no fuel card register maintained;
- Fuel card reconciliations are not performed; and

Implication

Increased risk of fraud or error in respect to fuel usage.

Recommendation

We recommend:

- A formal documented fuel card policy or procedure be developed and implemented;
- Fuel card holders sign an agreement with the Shire outlining their acknowledgements of acceptable use of the fuel card in accordance with the stated policy. This agreement should also outline procedures relating to when a cardholder is on extended leave or absence from the Shire;
- A fuel card register be created and maintained to monitor fuel transactions and ensure accountability; and
- Fuel usage be regularly analysed and reported to the council for transparency and oversight.

Management Comment

The Shire has a fuel card register and it has been recently reviewed. Fuel usage is analysed on a monthly basis by statement. As per 7.2.3, Depot fuel utilisation is also registered and reviewed on a monthly basis. Shire will create a fuel card usage policy and update processes to provide a clear audit trail to ensure compliance.

Responsible Officer: EMCCS

Completion Date: December 2026



7.2.3 Depot Security

Finding Rating: Moderate

Our observations and enquiries during our Shire Depot site visit identified the following:

- The whole depot isn't fully fenced;
- The Shire Depot gates are opened in the morning and remain unlocked and open for the duration of the day resulting in open access to the Depot including machinery parts located within an open shed;
- The dangerous goods are kept in a separate space however this is not locked during the day;
- The keys to the vehicles at the office located at the depot however the keys are not locked neither is the office. During our visit, the depot office was unattended therefore increasing the risk of assets being misused/stolen;
- Consumables at the Depot are not counted (with exception of fuel stocks) and there are currently no inspections conducted for assets that are no longer in working condition;
- Fuel tanks are metered and the fuel usage is recorded in a fuel register, however, anyone can access the fuel tanks.
- There are no logbooks maintained for vehicles utilizing depot fuel; and
- There are no security cameras in place.

Implication

- Risk of potential unauthorised access and misappropriation to Shire assets;
- Reduced ability to detect irregularities, losses, or fraudulent activity in a timely manner; and
- Potential safety hazards and non-compliance with regulatory requirements relating to the storage of dangerous goods.

Recommendation

We recommend:

- Consideration be given to the Shire Depot access during the day, including items of high value or susceptibility of theft;
- Lock and restrict access to dangerous goods storage areas at all times;
- Regular inventory counts for consumables be conducted to ensure appropriate inventory monitoring, identification of non-working items, and accurate financial reporting;
- Restrict access to fuel tanks by implementing fobs for each vehicle or a system where the fuel cannot be taken until you enter the rego number;
- Implement vehicle logbooks for all vehicles utilising depot fuel to support monitoring and reconciliation; and
- Install security cameras at the depot to strengthen oversight, monitor unauthorised activities, and support investigations.



Management Comment

The renewal of the Depot facility has been approved by Council and is now commencing, scheduled for completion by 2027-2028. The works team have been advised to shut the main gate. Locks have been provided for the chemical shed and fuel bowser. Service logs are currently with the Supervisors.

Responsible Officer: MWS

Completion Date: 2028

7.2.4 Works Costing and Private Works

Finding Rating: Low

Our observations and enquiries indicated:-

- Works costing allocation are completed by the Shire's external accountant with approval being granted by the Manager of Works & Services on the final allocation percentage to be utilised however there is no evidence of approval; and
- There is no private works policy in place.

Implication

- Lack of formal documentation to support works costing allocations.
- Lack of private works policy exposes the Shire to risk of mismanagement of resources.

Recommendation

We recommend:

- Works costing and allocation percentages are approved in writing by the Manager of Works & Services to maintain proper documentation and accountability; and
- A formal private works policy be developed and implemented which outlines clear procedures, responsibilities, and guidelines for managing private works to ensure consistency, compliance, and effective resource management.

Management Comment

All Private work is recorded in a private works book. The Shire will develop and implement a Private Works policy for council consideration and adoption.

Responsible Officer: MWS

Completion Date: 2026



8. Preparation of budgets, budget reviews, accounts and reports required by the Act or the Regulations

8.1. Scope and approach

- Reviewed policy and procedure manual;
- Reviewed the procedures for preparation of the monthly financial statements, annual financial statements and annual Budget, including assessment of accounting policy, notes and applicable reporting requirements and efficiency of the process;
- Reviewed monthly financial statements ensuring presented to Council within two months and information contained within monthly financial statements in accordance with Regulation 34 of Local Government (Financial Management) Regulations 1996;
- Reviewed the mid-year budget review to ensure compliance with Regulation 33A of the Local Government (Financial Management) Regulations 1996 and assessment of budgetary expenditure controls in place;
- Ensured prior year audit report and management letter have been presented to audit committee and Council; and
- Reviewed compliance with Part 6 of the Local Government Act 1995 and Local Government (Financial Management) Regulations 1996.

8.2. Detailed findings and recommendations

8.2.1 Legislative Non-Compliance

Finding Rating: High

We identified the following legislative non-compliance:

- A copy of the annual budget was not provided to the department representing non-compliance with section 33A of *Local Government (Financial management) Regulations 1996* which states, “within 14 days after a council has made a determination, a copy of the review and determination is to be provided to the Department;”

Implication / Risk

- Non-compliance with *Local Government (Audit) Regulations 1996 section 17(1)*, *Local Government Act 1995* and *Local Government (Financial management) Regulations 1996*.

Recommendation

We recommend a compliance calendar be established and responsibility be delegated to a member of staff to ensure legislative reporting obligations and deadlines are met.

Management Comment:

Management accepts the finding and acknowledges the importance of strict adherence to statutory reporting timelines. While subsequent budgets and reviews have been submitted in accordance with the Local Government (Financial Management) Regulations 1996, we



recognise that our internal record-keeping and tracking for the 2023-2024 period was insufficient.

To ensure future compliance the Shire will review its Corporate Compliance Calendar to include all statutory filing deadlines, specifically Section 33A requirements.

Responsible Officer: CEO

Completion Date: NA



9. Guidance on Risk Assessment

Risk is uncertainty about an outcome. It is the threat that an event, action or non-action could affect an organisation's ability to achieve its business objectives and execute its strategies successfully. Risk is an inherent component of all service activities and includes positive as well as negative impacts. As a result not pursuing an opportunity can also be risky. Risk types take many forms – business, economic, regulatory, investment, market, and social, just to name a few.

Risk management involves the identification, assessment, treatment and ongoing monitoring of the risks and controls impacting the organisation. The purpose of risk management is not to avoid or eliminate all risks. It is about making informed decisions regarding risks and having processes in place to effectively manage and respond to risks in pursuit of an organisation's objectives by maximising opportunities and minimising adverse effects.

Our guidance to risk classification in accordance with Risk Management- Principles and Guidelines Standard AS ISO 31000-2018 is as follows:

Risk is the probability that an event or action may adversely affect the organisation. Risk is assessed based on the relationship between consequence and likelihood.

- Likelihood is the chance that the event may occur given knowledge of the organisation and its environment.
- Consequence is the severity of the impact that would result if the event were to occur.

Our risk rating for each finding was based on the following table:

Consequence Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	Moderate	High	High	Extreme	Extreme
Likely	Low	Moderate	High	High	Extreme
Possible	Low	Moderate	Moderate	High	High
Unlikely	Low	Low	Moderate	Moderate	High
Rare	Low	Low	Low	Low	Moderate

Any compliance breaches identified have been communicated within our report.

Audit, Risk & Improvement Committee Meeting

19 March 2026

Attachments

Attachment 1 – 10.3a CORP01 Risk Management Policy.

Attachment 2 – 10.3b WHS Committee Terms of Reference.

Attachment 3 – 10.3c WHS minutes January 2026.

Item 10.3 Work Health and Safety and Risk Management

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2. CORPORATE (CORP)

CORP01 Risk Management Policy

Aim	To define the fundamental principles that will establish and maintain a robust, integrated, and effective risk management system across all strategic and operational functions of the Shire. This policy mandates the Shire's commitment to risk management. The goal is not to eliminate all risks, but rather to manage risks involved in Council's functions and services and to maximise opportunities whilst minimising potential negative exposures.
Application	Whole of Organisation
Statutory Environment	Regulation 17 of the Local Government (Audit) Regulations 1996 ISO - AS/NZS - 31000:2018 – Risk Management
Approval Date	16 March 2023
Last Review	OCM 19 November 2020
Next Review	2026
Review Period	Every 3 years

Objectives

The Shire of Morawa is committed to organisation wide risk management principles, systems, and processes that ensure consistent, efficient, and effective assessment of risk in all planning, decision making and operational processes.

The objective of this document is to provide a framework which:

- Provides consistent terminology to aid, promote, and improve understanding of risk management at Council.
- Improves planning processes by enabling the key focus to remain on core business and helping to ensure continuity of service delivery.
- Reduces the likelihood of negative 'surprises' and assists with preparing for challenging and undesirable events and outcomes.
- Contributes to improved prioritisation and resource allocation by targeting resources to the highest-level risks, and risks which if treated provide the organisation with best value; and,
- Improves accountability, responsibility, transparency, and governance in relation to both decision-making and outcomes

Policy

Definitions

The following definitions apply to this document:

Risk: Is the effect of uncertainty on objectives. Something that may happen in a given situation.

Risk Management: the structured approach of aligning strategy, processes, people, technology, and knowledge with the purpose of evaluating and managing risk (uncertainty).

Shire of Morawa Policy Manual

Operational Risks:	Something that could happen in a situation and prevent the Shire from delivering a particular service or completing projects or events.
Strategic Risks:	Something that could happen in a situation that may prevent the Shire from reaching its goals or continuing to service the community.
Consequence(s):	The outcome or impact of an event (risk occurrence), and in particular, the most probable worst-case scenario.
Control:	Measure that is modifying risk.
Likelihood:	Chance of something happening.
Mitigating actions:	Additional Controls - processes, policies, devices, practices, or actions that act to further modify/minimise risk.
Acceptable risk:	A risk where current controls minimise risk sufficiently so that the Shire deems that further mitigating actions are not required.
Residual risk:	Risk remaining after risk treatment and/or risk mitigation

Risk Principles

Council's Risk Management Framework is an organisation wide commitment to a consistent approach to managing risks. Council acknowledges that risk management is a fundamental element of good business practice. The management of risk is not the responsibility of a particular area but a shared responsibility across the organisation.

Council wishes to foster and promote a 'risk aware' but not 'risk averse' culture throughout the organisation. Given the size, resources, and scope of operations of the Shire, Council accepts that risk management practices will operate at a basic maturity level targeting the most prominent and likely risks with noticeable consequences.

In achieving Council's policy objective, the Chief Executive Officer must ensure that the following key Risk Principles are observed, understood, and embraced to deliver a continuous organisation wide system of risk management.

1. **Statutory Compliance** – Compliance with Regulation 17 of the Local Government (Audit) Regulations 1996.
2. **Working towards Industry Best Practice** - Alignment with the principles and practises as detailed in the Risk Management Standard - AS/NZS ISO 31000:2018 Risk Management - Guidelines.
3. **Strategic Integration** – Integrating risk management across the Shire's strategic documents including the Corporate Business Plan, Strategic Community Plan, Project and Event Planning, and other Strategic documents as relevant.
4. **Decision Making** - Identification, analysis, and response to risk must be addressed across all strategic and operational decision-making functions at Council and Executive Level – specifically incorporating risk analysis into Council reports.
5. **Understanding** - Executive Policies and procedures that clearly articulate employee obligations and business rules when reporting and registering risk. Training provided to employees and Councillors/committee members in risk management.
6. **Organisation Culture** – Develop a culture of risk identification and analysis in any given situation.
7. **Tools and Processes** - Tools and processes that are fit for purpose and accessible to all staff to ensure risk is identified, analysed, evaluated, recorded, and mitigated appropriately.

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Risk Management Framework Overview

The purpose of the Risk Management Framework is to assist individuals in considering risks and opportunities in a consistent manner. The Shire’s Risk Management Framework works through a simple five (5) step process that aligns with best practice principles.

1. Risk Identification – the Council wants to identify and manage as many high-level risks as possible, to achieve this goal the whole organisation must actively work to identify risks across the Shire’s broad range of activities.
 - a. Strategic Risk workshops will be conducted at least annually involving the Audit Committee, and the Executive Leadership Team
 - b. The Chief Executive Officer is responsible for developing appropriate Executive Policies and procedures to manage the identification of operational risks
2. Risk Analysis – to appropriately manage risks they must be ranked and prioritised. To measure a risk, the Shire will compare risk consequence against risk likelihood. The below matrix will be used to analyse risk:

Consequence Likelihood	Insignificant	Minor	Moderate	Major	Catastrophic
Almost Certain	Moderate	High	High	Extreme	Extreme
Likely	Low	Moderate	High	High	Extreme
Possible	Low	Moderate	Moderate	High	High
Unlikely	Low	Low	Moderate	Moderate	High
Rare	Low	Low	Low	Low	Moderate

3. Risk Evaluation – based on the Risk Analysis the Shire must determine the appropriate response to the Risk based on the Shire’s risk appetite.

The Shire of Morawa has a medium risk appetite, generally accepting low level risks with minimal controls but requiring risks deemed High or Extreme to be monitored, evaluated, and mitigated with highly effective controls at the Executive and Audit Committee level.

4. Risk Mitigation – whilst some risks may be inherently low risk and acceptable to the organisation, most risks, even those classified as low impact, can be treated, or controlled. Risk mitigation occurs through the implementation of controls. Risk mitigation may involve the use of multiple controls from varied categories. Once Risk Mitigation controls have been selected the risk should be re-analysed to ensure controls are sufficient to deem the risk acceptable.
5. Monitor – Risks and their controls should be regularly monitored at intervals set depending on the risk, likelihood, control effectiveness, and other factors to ensure controls and ratings remain relevant, and the organisation remains cognisant of the risks.

Consequence Categories

For consistency, the Shire will apply standardised consequence categories across all risk registers.

1. **Health and Safety** – consequences that may impact the health and safety of employees, community members, or other stakeholders.

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2. **Financial** – budgetary deviations or impacts on the Shire’s long term financial planning objectives
3. **Service Interruption** – the inability to deliver a service or to deliver a service to the standard expected by the Shire’s customers
4. **Compliance** – the Shire operates in a heavily regulated environment and risk occurrences may impact on the Shire’s ability to remain compliant under a particular legislative or regulatory environment
5. **Reputational** – Whilst the Shire is not a private enterprise that benefits from reputational goodwill, an eroded reputation impacts on community and sector trust in the Shire’s operations. This can have long-term damaging effects.
6. **Property and Environment** – impacts on property or environmental features belonging to the Shire, district at large, or broader areas.

All consequences must be rated using the below scale:

1. Insignificant
2. Minor
3. Moderate
4. Major
5. Catastrophic

Given the organisational wide impact of Strategic Risks they will generally be Major or Catastrophic in consequence if left without any mitigating actions. The Chief Executive Officer is responsible for establishing consequence criteria under the above categories for rating risks under operational risk registers.

Likelihood Categories

All risks will be assessed against the below likelihood criteria.

Likelihood Level	Description
Almost Certain	The event is expected to occur in most circumstances, at regular intervals or with a probability of occurring greater than 90%
Likely	The event will probably occur, potentially once a year or with a probability of 60%-90%
Possible	The event may occur, likely to occur at least once in every 4-year period, or with a probability of 30%-60%
Unlikely	The event may occur but is not expected likely, may happen a few times a decade, or with a probability of 5-30%
Rare	The event may only occur in highly infrequent or unexpected circumstances, less than once in a 20-year period, or a less than 5% chance of occurring
Negligible	Whilst not incorporated in risk assessment, this likelihood will allow the Shire to review risks that have very little chance that they will ever occur and would be unprecedented if they did. This demonstrates awareness of the risk in case the likelihood changes in future.

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Responsibility and Authority

The acceptance of risk ownership is required by each staff member at every level within the organisation.

Council empowers the Audit Committee to act as the Shire's oversight agent in relation to the management and assessment of Risk.

The Audit Committee is responsible for developing, managing, monitoring, and reporting on the Shire's Strategic Risk Register. The Strategic Risk Register detailing Strategic Risks and mitigating actions must be reported to Council on an annual basis including analysis of a risk occurrence and consequences.

The Chief Executive Officer is responsible for ensuring the Shire's risk management practices are appropriate and effective.

The Chief Executive Officer is responsible for developing, managing, monitoring, and reporting on the Shire's Operational Risk Register. The Operational Risk Register may be informed by other registers and methods as determined by the Chief Executive Officer. High and Extreme risks on the operational risk register must be reported to the Audit Committee, if the administration plans to accept the risk.

PURPOSE:

This document defines the structure, function, limits of authority and responsibilities of the Shire of Morawa WHS (Work Health and Safety) Committee.

Title of Committee

The Committee shall be known as the Shire of Morawa WHS Committee.

SCOPE:

Role of the Work Health and Safety Committee

- Review hazard, injury, damage and near miss, environmental incident reports, and/or high-risk incidents, identify and discuss any potential trends and corrective actions.
- Communication and consultation between Management and Health and Safety representatives.
- Review outstanding corrective actions for incident reports and workplace inspections.
- To assess and review WHS benchmarks, strategies, and key performance indicators (KPIs).

Objectives of the Work Health and Safety Committee

- Planning – To ensure that planning occurs systematically and includes clear and measurable Targets and Objectives.
- Policies & Procedures – To develop, implement, monitor and review policies, and procedures to ensure a robust policy framework meets legislative requirements and is integrated throughout all levels of the organisation.
- Training – To identify workforce training needs and arrange or deliver training requirements on a regular and ongoing basis. Training should have clear objectives, measurable outcomes and be evaluated.
- Communication and Consultation – To ensure that adequate consultation exists throughout the organisation to ensure all necessary information is communicated to the workforce.
- Documentation and Reporting - To ensure adequate documentation exists and is available to all employees. To provide systems, processes, and assistance to ensure all incidents are reported and recorded.
- Hazard Management – To ensure that all hazards are identified, assessed, controlled, monitored, and reviewed in accordance with the hierarchy of controls.
- Risk Management – To ensure that all risks are identified, assessed, controlled, monitored, and reviewed in accordance with the Australian Standards for Risk Management.
- Emergency Management – To ensure that all possible organisational emergencies are identified and appropriate systems, procedures introduced to manage an emergency efficiently and effectively.
- Measurement and Evaluation – To ensure that systems and procedure are regularly reviewed, and Key Performance Indicators (KPI's) are in place to assess, measure and evaluate performance.
- Management Systems – To ensure that management systems are effective, regularly maintained, monitored, and reviewed.

Safety Committee Structure and Format

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The Committee shall consist of:

- Chairperson
- Manager of Works & Services
- LGIS Representative
- Workplace Health and Safety Officer
- Parks and Gardens Team Leader
- Works Services Team Leader
- Other invited attendees as appointed / required

Immunity of Health and Safety Representatives

A Health and Safety Representative is not personally liable for anything done or permitted to be done in good faith in exercising a power or performing a function under the *Work Health and Safety Act 2020* (WHS Act).

Powers and functions of health and safety representatives

A Health and Safety Representative is elected to perform the following functions:

- To represent the workers in the work group in matters relating to work health and safety
- To monitor the measures taken by the Person Conducting a Business or Undertaking (PCBU) in compliance with the *Work Health and Safety Act 2020*
- To investigate complaints from members of the work group relating to work health and safety
- To inquire into anything that appears to be a risk to the health or safety of workers in the work group
- Inspect the workplace with reasonable notice to the PCBU or without notice in the event of an incident or any serious risk to the health or safety of a person
- Accompany an inspector during a visit to the workplace or the work group and with the consent of a worker, be present at an interview concerning work health and safety matters with an inspector or the PCBU.
- Receive information concerning the work health and safety of workers in the work group
- Whenever necessary, request the assistance of any person.

Frequency of Meetings

The meetings will be held each month or unless you are notified by WHS Officer for rescheduling.

Any Committee member may request that the Chairperson call an extraordinary meeting to resolve an issue requiring urgent attention.

If any meeting is cancelled or rescheduled the details and reasons must be noted in the minutes of the next meeting, "Frequency of meetings to be determined".

Quorum

Minimum number of persons required to be present at a meeting before any transactions can take place. This is a minimum of three (3) Safety and Health Representatives and two (2) Managers or their nominated representative for the Safety Committee meeting to take place. The Committee cannot vote or form a consensus without a quorum.

Proxies

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Section 67 of the *Work Health and Safety Act 2020* provides for the election of a Deputy Health and Safety representative for each workgroup. The Deputy Health and Safety Representative is elected in the same manner as the Health and Safety Representative. The proxy will have authority to vote on their behalf at that particular meeting.

Order of Meetings

Discussion at the WHS Committee meetings shall be controlled through an agenda. Any individual wishing a specific item to be included in the agenda should advise the Workplace Health and Safety Officer/Human Resource Officer prior to the meeting date, otherwise the item may be discussed under “new business”.

Recording of Minutes

Accurate and concise minutes shall be recorded at each meeting and all agreed actions shall include the responsible person’s name and an action by date.

The minutes shall be distributed to each Group member prior to the next meeting, and then will be accepted as a true and accurate record at the meeting. If there are no discrepancies it is to be noted that “the minutes are accepted as a true and accurate record”.

Decision Making

The Committee shall, wherever possible, reach any decision by majority. Reasons for dissent shall be recorded in the minutes.

RESPONSIBILITIES:

➤ **Chairperson**

- Approve meeting time and venue
- Direct and guide discussion at meetings
- Ensure all agenda items are discussed, and end with definite outcomes
- Review and sign minutes
- Ensure all members have an opportunity to contribute
- Shall nominate a person to Chair meetings in their absence

➤ **WHS Officer**

- Draft agenda for approval
- Coordinate the meeting
- Record meeting minutes
- Ensure minutes are distributed
- Table any correspondence
- Report on status recommendations and ongoing action items
- Distribution of technical reports
- Shall nominate person to act as Secretary in their absence

➤ **Committee Members**

- Attend meetings
- Prepare and present reports as requested by the Committee
- Develop strategies to improve safety and health
- Complete and submit inspection checklists at least every three months.

Evaluation of Committee’s Effectiveness

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The Committee shall undertake regular reviews to evaluate its effectiveness, and as a guide the following should be determined:

- Are the Safety Committee's aims and objectives being met?
- Should the aims and objectives be amended?
- Is the Safety Committee's effectiveness improving or deteriorating?
- Are Safety Committee members regularly attending meetings?
- Review the Terms of Reference

FUNCTIONS OF THE COMMITTEE

- *To facilitate cooperation between the PCBU and workers in instigating, developing, and carrying out measures designed to ensure the workers' health and safety at work.*
- To assist in the developing standards, rules and procedures relating to health and safety that are to be followed or complied with at the workplace

DUTIES OF A PCBU

- The PCBU must allow each member of the group to spend the time that is necessary to attend meetings and perform functions.
- The PCBU must allow members to have access to information relating to hazards and the health and safety of the workers at the workplace.
- The PCBU must not allow members to have access to any personal or medication information concerning a worker without the other workers consent unless the information does not identify the worker.
- Without delay, consider recommendations made by the group and if in agreement, implement recommendations.

TRAINING:

The PCBU must allow the Health and Safety Representative to attend an Accredited Health and Safety Representative course (5 days) as soon as practical within 3 months of election. This includes payment of fees and other reasonable costs associated with the Health and Safety Representative attending training.

List of Health and Safety representatives

The PCBU must ensure that a list of each health and safety representative and deputy health and safety representative is prepared and kept up to date.

REFERENCE DOCUMENTS:

- Work Health and Safety Act 2020
- Work Health and Safety Regulations 2022

WHS TEAM MEETING MINUTES

21st JANUARY 2026

Work Health & Safety Meeting Minutes

1. Meeting Opened: 10:30 am

2. Attendance and Apologies

Present

Name	Role
Bradley Innes	Depot Safety Representative
Peter Wennekes	Midwest Regional Risk Coordinator
Brenden Sweeney	Team Leader – Roads
Peter Heitman	Team Leader – Parks & Gardens
Graeme Hedditch	Manager Works Services & Waste

Apologies

Name	Role
Brad Douglas	Executive Manager Corporate & Communities
Marty Symmons	Chief Executive Officer

3. Confirmation of Previous Minutes

The minutes of the previous meeting were accepted as a true and correct record.

Moved by: Bradley Innes

Seconded by: Graeme Hedditch

4. Business Arising from Previous Minutes

Nil.

5. Items Addressed and/or Outstanding Since Last Meeting

Administration

No update. There is currently no appointed Safety Representative for Administration.

Depot

Return to Work Update – Halim Abdul Khaddam

Halim has unfortunately regressed in his return-to-work program after lifting 6–7 bags of 20kg fertiliser and re-injuring himself.

The Shire is currently monitoring Halim and restricting duties, including:

- Avoid excessive overhead work.
- Lawn mowing
- Weeding
- Whipper snipping
- Lifting 10kg – Two handed lifting only.

Graeme/Peter/Nathan have liaised with Steven (team member and Halim’s work partner) to ensure Halim adheres to the restricted duties program.

6. Safety Representatives Reports

Administration

No update. There is currently no appointed Safety Representative.

Depot – Incidents & Near Misses

- Gardener’s truck reversed into Team Leader’s Ute
- Broken taillight on loader after reversing into rocks
- Tailgate damage – Isuzu tipper truck
- Tailgate damage – Gardener truck
- Halim, Neck and shoulder pain from lifting trailer sliding ramp (September 2025)
- Near miss on road while driving
- Grass fire on road verge in Canna (Nov 2025)
- Jack handle lodged in trailer tyre sidewall (Nov 2025)
- Grader tyre sidewall damage (Dec 2025)
- Ute entered intersection too quickly, collided with bank (vehicle written off Dec 2025)

Total Incidents from 01/01/2025 to 31/12/2025 = 9

7. Training Required

Administration

No update. No Safety Representative currently appointed.

Depot

- Chemical Certification – awaiting confirmed date
- Traffic Management – renewal due mid-year

- First Aid Refresher – due this year
 - Training schedule to be completed after employees annual review
-

8. Local Hazards / Incidents Identified (GRIP Register)

- Windstorms caused asbestos sheeting to detach from the front of the airport house.
 - Area secured
 - Asbestos cleaned up and safely removed and recorded
-

9. Other Relevant WHS Matters

- Playground report to be reissued after being lost during staff transition.
-

10. Policies and Procedures

All updated policies and procedures are available on the Shire website.

11. General Business

Administration

No update. No Safety Representative currently appointed.

Depot

- Query raised regarding changing from DNA drug testing to urine drug tests and breath testing at the start of each shift, **in Progress**
 - Fire extinguisher to be added to depot office during next scheduled inspection
 - Emergency exit plans across all Shire buildings require updating
 - Playground inspection to be conducted again soon
 - Bushfire truck shed inspection to be completed
 - Pool steps in deep end remain taped off
 - Review options for replacing soft fall material at playground
 - Clarification requested on heat policy – is there a temperature cut-off for stopping work?
 - On a HVMB (Heavy Vehicle Medical Breach), can a worker be sent home on pay or must personal/annual leave be used?
 - Ongoing issue with syringes found at the sewerage dam and within the sewerage system
-

12. Next Meeting

18/03/2026 at 10:30 am

13. Meeting Closed

12:45 pm
