



MINUTES

AUDIT, RISK & IMPROVEMENT COMMITTEE

held on

Thursday, 19 March 2026 at 5.00pm

as Virtual Meeting (e- Meeting).



WESTERN AUSTRALIA'S
WILDFLOWER COUNTRY

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DISCLOSURE OF FINANCIAL/ IMPARTIALITY/ PROXIMITY INTERESTS

Local Government Act 1995 – Section 5.65, 5.70 and 5.71 Local Government (Administration) Regulation 34C

<i>This form is provided to enable members and officers to disclose an Interest in a matter in accordance with the regulations of Section 5.65, 5.70 and 5.71 of the Local Government Act and Local Government (Administration) Regulation 34C</i>			
Name of person declaring the interest			
Position			
Date of Meeting			
Type of Meeting (Please circle one)	Council Meeting/ Committee Meeting/ Special Council Meeting Workshop/ Public Agenda Briefing/ Confidential Briefing		
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality
Interest Disclosed			
Item Number and Title			
Nature of Interest			
Type of Interest (please circle one)	Financial	Proximity	Impartiality

Signature: _____

Date: _____

Important Note: Should you declare a **Financial** or **Proximity** Interest, in accordance with the Act and Regulations noted above, you are required to leave the room while the item is being considered. For an **Impartiality** Interest, you must state the following prior to the consideration of the item:

“With regard to agenda item (read item number and title), I disclose that I have an impartiality interest because (read your reason for interest). As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly.”

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Item 1 Opening of Meeting

The Presiding Member to declare the meeting open at 5pm.

Item 2 Acknowledgement of Traditional Owners and Dignitaries

The Presiding Member acknowledges the traditional custodians, the Yamatji people, and recognises the contribution of Yamatji Elders past, present and future, in working together for the future of Morawa.

Item 3 Recording of Attendance**3.1 Attendance****E- Attendance (Committee Members)**

Mr Nils Hay (Independent Member and Presiding Member)
President Councillor Karen Chappel
Deputy President Councillor Ken Stokes
Councillor Diana North

Staff In – Person Attendance

Executive Manager Corporate and Community Services

Brad Douglas

Staff E- Attendance

Chief Executive Officer

Marty Symmons

External Auditor E- Attendance

Director (Audit) - AMD Accountants

Tim Partridge

3.2 Apologies

Councillor Grant Chadwick

3.3 Approved Leave of Absence

Nil

3.4 Disclosure of Interests

Nil

Item 4 Applications for Leave of Absence

Nil

Item 5 Response to Previous Questions

Nil

Item 6 Questions from Members without Notice

Nil

Item 7 Announcements by Presiding Member without Discussion

Nil

Item 8 Declarations of All Members to have Given Due Consideration to All Matters Contained in the Business Paper before the Meeting

The Committee Members to declare that they had given due consideration to all matters contained in the agenda.

- Mr Nils Hay (Independent Member and Presiding Member).
- President Councillor Karen Chappel.
- Deputy President Councillor Ken Stokes.
- Councillor Diana North.

Item 9 Confirmation of Minutes of Previous Meeting

The Minutes of the 10 December 2025 Audit Risk & Improvement Committee Meeting were provided under separate cover via Email to all Committee Members on 12 December 2025.

OFFICER'S RECOMMENDATION/COMMITTEE RESOLUTION

260301

Moved: Cr. Stokes

Seconded: Cr. North

That the Audit, Risk and Improvement Committee:

1. Authorise an amendment to the minutes of the Audit, Risk and Improvement Committee meeting held on 10 December 2025, specifically Item 9 (Resolution 251201), to correct a typographical error; and
2. Note that the name of the mover of the motion, recorded incorrectly as "Cr Coaker," is to be replaced with "Cr Stokes" to ensure a true and accurate record of proceedings.

CARRIED BY SIMPLE MAJORITY 4/0

DETAIL

During the review of the confirmed ARIC Meeting of 10 December 2025, an administrative typographical error was identified in Resolution 251201, where the incorrect Elected member was listed as having moved the motion.

In accordance with meeting procedures, any correction to confirmed minutes must be brought back to the committee for endorsement at the next available meeting to ensure the record accurately reflects proceedings. This amendment does not change the substance of the resolution – only the accuracy of the mover's name.

Disclaimer

Members of the public are cautioned against taking any action on Council decisions, on items in this agenda in which they may have an interest, until formal notification in writing from the Shire has been received. Decisions made at this meeting can be revoked pursuant to the Local Government Act 1995.

Item 10 Reports of Officers

The Presiding Member directed the Chief Executive Officer and (External Auditor – AMD) Mr. Tim Patridge, to address the Committee in relation to:

- 1) Item 10.1 - Regulation 17 Audit.*
- 2) Item 10.2 - Financial Systems Management Audit.*

The Committee Members were invited to direct any questions relating to Regulation 17 and Financial Matters to the External Auditor.

10.1 Regulation 17 Audit

Author: Executive Manager Corporate and Community Services

Authorising Officer: Chief Executive Officer

Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

OFFICER'S RECOMMENDATION/COMMITTEE RESOLUTION

260302

Moved: Cr. Chappel

Seconded: Cr. Stokes

That the Audit and Risk Improvement Committee recommends that Council:

- 1. Receive the Regulation 17 Review Report as completed;**
- 2. Accept the findings identified within the Audit Report;**
- 3. Endorse the Management Responses and proposed implementation timeframes; and**
- 4. Request a standing Management Action Plan (MAP) progress report be presented to each subsequent Committee meeting until all identified actions are finalised.**

CARRIED BY SIMPLE MAJORITY 4/0

PURPOSE

For the Audit, Risk & Improvements Committee to receive the findings of the Regulation 17 audit and review the proposed management actions of the administration.

DETAIL**Background**

The Audit and Risk Improvement Committee (the Committee) maintains oversight of the local government's statutory obligations under the Local Government (Audit) Regulations 1996. Specifically, Regulation 17 requires the Chief Executive Officer to review the appropriateness and effectiveness of systems and procedures regarding risk management, internal control, and legislative compliance at least once every three financial years.

It is important to note that Regulation 17 reviews, along with Financial Management System Reviews (FMSR), are not pass or fail assessments. Instead, they serve as diagnostic tools designed to embed a culture of continuous improvement within the organisation.

The previous Regulation 17 review was conducted during the 2022/2023 period and identified several areas for action. Following a period of transition in senior leadership, organisational focus was necessarily directed toward alternate and more immediate strategic objectives. Consequently, it was anticipated that certain findings from the 2022/2023 audit would remain outstanding at this time.

Comprehensive audits of both Regulation 17 systems and Financial Management Systems for the 2025/2026 period commenced in December 2025. These reviews, including findings and Management Responses, were completed in March 2026. The 2022/2023 legacy issues and any new findings have now been consolidated into the current review to ensure a transparent, accountable, and streamlined pathway toward full remediation.

LEVEL OF SIGNIFICANCE

Medium: If the Reg 17 findings were ignored, it would represent a significant risk to the Shire's Internal Control and Legislative Compliance frameworks.

CONSULTATION

Audit and Risk Management Committee
Chief Executive Officer
Executive Manager Corporate and Community Services
AMD Accountants

LEGISLATION AND POLICY CONSIDERATIONS

The Local Government Act 1995
The Local Government (Financial Management) Regulations 1996

Strategic Community Plan 2022 to 2032

N/A

FINANCIAL AND RESOURCES IMPLICATIONS

The delivery of action items within the stated timeframes will require significant resource allocation.

RISK MANAGEMENT CONSIDERATIONS

Completion of the 2025/2026 audit within the statutory timeframe ensures full legislative compliance.

Consolidation of all outstanding items into a new, transparent Management Action Plan for Committee monitoring strengthen internal controls and oversight of financial processes.

CONCLUSION

The completion of the 2025/2026 Regulation 17 and Financial Management Systems reviews marks a significant step in strengthening the Shire's governance framework. While the transition in senior leadership necessitated a refocusing of organisational priorities, the consolidation of outstanding 2022/2023 findings into the current audit ensures that no legacy issues are overlooked.

By adopting the recommendations within this report, Council will establish a clear and transparent pathway for addressing identified risks. The introduction of a recurring Management Action Plan report to the Audit, Risk, and Improvement Committee will provide the necessary oversight to ensure that improvements to internal controls and legislative compliance are implemented systematically.

This proactive approach not only satisfies statutory requirements but also reinforces the Shire's commitment to a culture of continuous improvement.

CONFIDENTIAL ATTACHMENTS

Attachment 1 – 10.1a 2025 Regulation 17 Report.

10.2 Financial Systems Management Audit

Author:	Executive Manager Corporate and Community Services
Authorising Officer:	Chief Executive Officer
Disclosure of Interest:	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

OFFICER'S RECOMMENDATION/COMMITTEE RESOLUTION

260303

Moved: Cr. Stokes

Seconded: Cr. North

That the Audit and Risk Improvement Committee recommends that Council:

1. Receive the Financial Systems Management Report as completed;
2. Accept the findings identified within the Audit Report;
3. Endorse the Management Responses and proposed implementation timeframes; and
4. Request a standing Management Action Plan (MAP) progress report be presented to each subsequent Committee meeting until all identified actions are finalised.

CARRIED BY SIMPLE MAJORITY 4/0

PURPOSE

For the Audit, Risk & Improvements Committee to receive the findings of the Financial Systems Management audit and review the proposed management actions of the administration.

DETAIL

The Audit and Risk Improvement Committee (the Committee) maintains oversight of the local government's statutory obligations under the Local Government (Audit) Regulations 1996. Specifically, Regulation 17 requires the Chief Executive Officer to review the appropriateness and effectiveness of systems and procedures regarding risk management, internal control, and legislative compliance at least once every three financial years.

It is important to note that Financial Management System Reviews (FMSR), along with Regulation 17 reviews, are not pass or fail assessments. Instead, they serve as diagnostic tools designed to embed a culture of continuous improvement within the organisation.

The previous FMSR was conducted during the 2022/2023 period and identified several areas for action. Following a period of transition in senior leadership, organisational focus was necessarily

directed toward alternate and more immediate strategic objectives. Consequently, it was anticipated that certain findings from the 2022/2023 audit would remain outstanding at this time.

Comprehensive audits of both Regulation 17 systems and Financial Management Systems for the 2025/2026 period commenced in December 2025. These reviews, including findings and Management Responses, were completed in March 2026. The 2022/2023 legacy issues and any new findings have now been consolidated into the current review to ensure a transparent, accountable, and streamlined pathway toward full remediation.

LEVEL OF SIGNIFICANCE

Medium: The findings are significant to the Audit, Risk, and Improvement Committee's oversight role, as they ensure that the Shire's internal control environment is robust enough to prevent and detect errors or fraudulent activity.

CONSULTATION

Audit and Risk Management Committee
Chief Executive Officer
Executive Manager Corporate and Community Services
AMD Accountants

LEGISLATION AND POLICY CONSIDERATIONS

The Local Government Act 1995
The Local Government (Financial Management) Regulations 1996

Strategic Community Plan 2022 - 2032

N/A

FINANCIAL AND RESOURCES IMPLICATIONS

The delivery of action items within the stated timeframes will require significant resource allocation.

RISK MANAGEMENT CONSIDERATIONS

Completion of the 2025/2026 audit within the statutory timeframe ensures full legislative compliance.

Consolidation of all outstanding items into a new, transparent Management Action Plan for Committee monitoring strengthen internal controls and oversight of financial processes.

CONCLUSION

The completion of the 2025/2026 Regulation 17 and Financial Management Systems reviews marks a significant step in strengthening the Shire's governance framework. While the transition in senior leadership necessitated a refocusing of organisational priorities, the consolidation of outstanding 2022/2023 findings into the current audit ensures that no legacy issues are overlooked.

By adopting the recommendations within this report, Council will establish a clear and transparent

pathway for addressing identified risks. The introduction of a recurring Management Action Plan report to the Audit, Risk, and Improvement Committee will provide the necessary oversight to ensure that improvements to internal controls and legislative compliance are implemented systematically. This proactive approach not only satisfies statutory requirements but also reinforces the Shire's commitment to a culture of robust financial stewardship.

CONFIDENTIAL ATTACHMENTS

Attachment 1 – 10.2a 2025 FMSR Report.

Committee Members discussed Items 10.1 and 10.2 and provided views and comments on the matters presented.

Mr Tim Patridge of AMD left the meeting at 5:33 pm, following consideration of Items 10.1 and 10.2.

10.3 Work Health and Safety and Risk Management

Author: Chief Executive Officer

Authorising Officer: Chief Executive Officer

Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

OFFICER'S RECOMMENDATION/COMMITTEE RESOLUTION

260304

Moved: Cr. Chappel

Seconded: Cr. Stokes

That the Audit and Risk Improvement Committee recommends that Council:

1. Notes the establishment of a recurring Work Health and Safety (WHS) and Risk Management item as part of the Committee's standard agenda to ensure ongoing oversight of the Work Health and Safety Act 2020;
2. Receives the WHS update for the period ending March 2026, including the January 2026 WHS Team Meeting Minutes; and
3. Notes that quarterly reports and standing status updates on all outstanding safety remediation activities will commence from the next scheduled Committee meeting.

CARRIED BY SIMPLE MAJORITY 4/0

ARIC Committee Advisory Comment

In review of Attachment (Item 10.3), the Committee members advised preference for a dashboard style summary highlighting key issues and progress against actions rather than detailed operational reporting.

PURPOSE

The purpose of establishing this recurring reporting framework is to ensure the Audit, Risk and Improvement Committee maintains a robust and transparent oversight of the Shire's health and safety obligations, particularly in response to the Work Health and Safety Act 2020 and the WHS Regulations 2022.

By integrating these updates into the standard agenda, the Committee can move from a broad awareness of safety to a detailed verification of whether critical controls are actually in place and operating with sufficient evidence. This systematic approach is designed to strengthen the link

between the Shire's Risk Management Framework and its daily operational activities, ensuring that safety-critical controls are consistently applied across the organisation.

DETAIL

Administrative improvements were identified during the 2026 Regulation 17 Audit. To strengthen the integration between the Shire's Risk Management Framework and internal audit activities, the Shire's Risk Management System is undergoing significant transformation. This includes an updated team structure and a focused uplift of the Risk Management Framework to ensure continuous improvement.

While comprehensive, data-driven quarterly reports are being developed for commencement at the next meeting, this initial report provides the Committee with immediate visibility of current safety activities and internal consultation via the attached meeting minutes.

Current Activities

1. Bimonthly WHS Meetings
Ongoing scheduled meetings are being maintained. The minutes from the January 2026 meeting are attached for the Committee's review.
2. Incident Reporting
Ten (10) WHS incidents and/or near misses were reported during the most recent period, with all items being addressed through standard investigation protocols.
3. Return to Work (RTW)
One active RTW process is currently underway following a 2024 vegetation management incident. This matter is nearing conclusion, subject to final advice from LGIS.
4. Industrial Relations
One active Industrial Relations item remains pending close-out, subject to legal advice.

LEVEL OF SIGNIFICANCE

Medium: Improved reporting practices ensure the transparency of continued improvement and compliance enhancements regarding statutory health and safety obligations.

CONSULTATION

Chief Executive Officer
Executive Manager Corporate and Community Services
Manager Works & Services
LGIS

LEGISLATION AND POLICY CONSIDERATIONS

The Local Government Act 1995
Work Health and Safety Act 2020

Strategic Community Plan 2022 - 2032

NA

FINANCIAL AND RESOURCES IMPLICATIONS

Resources for these reporting activities are managed within existing budget constraints.

RISK MANAGEMENT CONSIDERATIONS

The primary risk associated with this reporting framework involves the potential for non-compliance with the Work Health and Safety Act 2020, which carries significant legal and reputational implications.

Establishing a standing reporting item mitigates this risk by ensuring safety-critical controls are defined, verified, and subject to regular Committee oversight. Moving to a detailed quarterly reporting model from the next meeting will further ensure that residual risk remains within the Shire's defined appetite.

CONCLUSION

The introduction of a recurring reporting framework for Work Health and Safety ensures that the organisation maintains rigorous oversight of its statutory obligations. While this report provides an initial update and records of internal consultation, the transition to detailed quarterly performance reporting at the next meeting will provide the Committee with consistent, evidence-based assurance that safety-critical controls are being effectively monitored.

CONFIDENTIAL 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 11 Motions of Which Previous Notice Has Been Given

Nil

Item 12 New Business of an Urgent Nature**12.1 Fuel Supply Arrangements at the Shire and Town**

Under Business of an Urgent Nature, the Presiding Member raised a query regarding the Shire's fuel supply arrangements, including current availability, management planning, and potential risk considerations and availability of Fuel at Local Fuel Station in Town.

The Chief Executive Officer and Committee Member Cr. Stokes responded to the query.

12.2 Records Management Resource Risk

Member Cr. Karen Chappel discussed the gap in records management capability and resourcing, noting that this presents a risk to the effective implementation of the recommendations from the adopted reviews.

The Committee noted that, although the recommendations have been endorsed, current records management resourcing may limit the CEO's ability to implement them fully and in a timely manner.

The Committee agreed to formally note this risk and to support the need for adequate resourcing to improve records management, to ensure effective governance, compliance, and delivery of the review outcomes.

COMMITTEE RESOLUTION**260305****Moved: Cr. Chappel****Secondment: Cr. Stokes**

That the Audit and Risk Improvement Committee recommends that Council:

- 1. Notes and supports the resourcing requirements for the Management Action Plans and the improvement of internal record-keeping systems and processes, as discussed in items 10.1 and 10.2.**

CARRIED BY SIMPLE MAJORITY 4/0

Item 13 Closure

13.1 Date of Next Meeting

The next Audit, Risk & Improvement Committee will be held on Monday 13 July 2026 commencing at 6.00pm.

13.2 Closure

There being no further business, the Presiding Member declared the meeting closed at 5.55pm.

Presiding Member.......... 1 April 2026.....