



Shire of
Koorda

Drive in, stay awhile

AGENDA

Audit, Risk & Improvement Committee Meeting

To be held in Shire of Koorda Council Chambers

10 Haig Street, Koorda WA 6475

Wednesday 18 March 2026

Commencing 4.00pm

Wednesday 18 March 2026

NOTICE OF MEETING

Dear Audit, Risk & Improvement Committee Members,

The next Audit & Risk Committee Meeting of the Shire of Koorda will be held on Wednesday 18 March 2026 in the Shire of Koorda Council Chambers, 10 Haig Street, Koorda, commencing at 4.00pm.

Zac Donovan
Chief Executive Officer
13 March 2026

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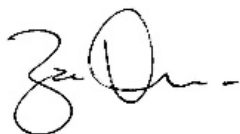
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The Shire of Koorda warns that anyone who has any application lodged with the Shire of Koorda must obtain and should only rely on **written confirmation** of the outcome of the application, and any conditions attaching to the decision made by the Shire of Koorda in respect of the application.

To be read aloud if any member of the public is present.

Signed

A handwritten signature in black ink, appearing to read 'Zac Donovan', with a horizontal line extending to the right.

Zac Donovan
Chief Executive Officer

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Shire of Koorda
Audit, Risk & Improvement Committee Meeting
4.00pm, Wednesday 18 March 2026



1. Declaration of Opening

The Presiding person welcomes those in attendance and declares the meeting open at X.XXpm.

2. Record of Attendance, Apologies and Leave of Absence

Committee Members:

Mr Ron Back	Presiding Member
Cr JM Stratford	Member
Cr NJ Chandler	Member
Cr BH Moore	Member
Cr GL Boyne	Deputy Member

Staff:

Mr Z Donovan	Chief Executive Officer
Ms L Foote	Deputy Chief Executive Officer

Visitors:

Ms Tanya Browning	Director, Moore Australia (MS Teams)
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Apologies:

Approved Leave of Absence:

3. Public Question Time

4. Disclosure of Interest

5. Confirmation of Minutes from Previous Meetings

5.1. Audit, Risk & Improvement Committee Meeting held on 17 December 2025

[Click here to view the previous minutes](#)

Voting Requirements Simple Majority Absolute Majority

Officer Recommendation


That, in accordance with Sections 5.22(2) and 3.18 of the *Local Government Act 1995*, the Minutes of the Audit, Risk & Improvement Committee Meeting held 17 December 2025, as presented, be confirmed as a true and correct record of proceedings.

6. Presentations

Ms Tanya Browning, Director, Moore Australia to present on Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls.

7. Officer's Reports

7.1. Consideration of 2026 Audit, Risk & Improvement Committee Terms of Reference V3.0

Governance and Compliance		
Date	12 March 2025	
Location	Not Applicable	
Responsible Officer	Lana Foote, Deputy Chief Executive Officer	
Author	Lana Foote, Deputy Chief Executive Officer	
Legislation	<i>Local Government Act 1995;</i> <i>Local Government (Administration) Regulations 1996</i>	
Disclosure of Interest	Nil	
Purpose of Report	<input checked="" type="checkbox"/> Executive Decision <input checked="" type="checkbox"/> Legislative Requirement <input type="checkbox"/> Information	
Attachments	Implementation Guide: Audit, Risk and Improvement Committees 2026 Audit, Risk & Improvement Committee ToR V3.0	

Background:

This report proposes amendments to the adopted Terms of Reference (ToR) and the name of the Audit and Risk Committee. These changes are necessary to ensure compliance with recent amendments to the *Local Government Act 1995* (Sections 7.1A and 7.1B), Clause 69 of Schedule 9.3, Division 7, and the *Local Government Amendment Regulations 2024*.

The legislative changes require the establishment of an Audit, Risk and Improvement Committee (ARIC), as previously resolved by Council (RES: 200925). Key requirements include the appointment of an independent Presiding Member and Deputy Presiding Member. Independent members were appointed in accordance with RES: 200925 and reaffirmed under RES: 191025 following the 2025 Local Government Ordinary Election.

The introduction of ARICs marks a significant reform, replacing existing audit committees with a new framework designed to enhance risk management and drive continuous improvement across local government operations.

Comment:

The Koorda Audit, Risk and Improvement Committee's Terms of Reference (Version 3.0) have been updated to reflect these legislative changes and are presented for consideration and adoption by the Committee, prior to recommending endorsement at the March 2026 Ordinary Council Meeting.

The LGIRS implementation guide for ARICs outlines the function of the committee:

- receive and review reports related to local government compliance audits required under the Act and regulations;
- make recommendations to council on actions to be taken in relation to those reports;
- receive and review reports on the effectiveness of the local government's systems and procedures in relation to financial management, legislative compliance and risk management;
- make recommendations to council on improvements to those systems and procedures;
- receive and review reports on any actions the local government is required to take under the Act, or has decided to take in relation to a compliance audit report or report into the effectiveness of the local government's systems and procedures; and

- perform any function conferred on the ARIC under the Regulations or another written law.

Consultation:

Zac Donovan, Chief Executive Officer

Ron Back, Independent Presiding Member, Shire of Koorda ARIC.

Statutory Implications:

Local Government Act 1995 (the Act)

Local Government Amendment Act 2024 (the 2024 Amendment Act)

Local Government (Audit) Regulations 1996 (the Audit Regulations)

Local Government (Administration) Regulations 1996 (the Administration Regulations)

Local Government Regulations Amendment Regulations (No. 4) 2025 (the ARIC Amendment Regulations).

Policy Implications:

Amendments to the ToR will align with Council’s policies, statutory requirements and best practices.

Strategic Implications:

Shire of Koorda Integrated Strategic Plan 2024

4.1 – Open and transparent leadership.

Risk Implications:

While it is not a legislative requirement for a Committee to have a TOR, it is common practice and ensures committee members are aware of their role and responsibilities and mitigates the risk of committees acting outside their responsibility.

Financial Implications:

Nil


Voting Requirements: Simple Majority Absolute Majority

Officer Recommendation

That the Audit, Risk & Improvement Committee recommends:

That Council adopts the Audit, Risk & Improvement Committee V3.0 Terms of Reference.

7.2. Quarterly Reporting of Integrated Strategic Plan and Workforce Plan

Governance and Compliance		
Date	11 December 2025	
Location	Not Applicable	
Responsible Officer	Zac Donovan, Chief Executive Officer	
Author	Zac Donovan, Chief Executive Officer	
Legislation	<i>Local Government Act 1995;</i> <i>Local Government (Administration) Regulations 1996</i>	
Disclosure of Interest	Nil	
Purpose of Report	<input type="checkbox"/> Executive Decision <input checked="" type="checkbox"/> Legislative Requirement <input checked="" type="checkbox"/> Information	
Attachments	Quarterly Scorecard – March 2026	

Background:

Section 5.56(1) of the Local Government Act 1995 requires all local governments to have a plan for the future of the district and under the Local Government (Administration) Regulations 1996, all local governments in Western Australia are required to have adopted two key documents: a Strategic Community Plan (SCP) and a Corporate Business Plan (CBP). Together these documents drive the development of each local government's Annual Budget.

The Integrated Planning and Reporting Framework and Guidelines (2016) issued by the DLGSC that guides the SCP and CBP process require that regular monitoring and reporting of these plans are undertaken. This quarterly update forms part of this key reporting process.

Council adopted the Integrated Strategic Plan 2022-2032 (which incorporates both the SCP & CBP) at its meeting held 20 April 2022. In 2024 a desktop review of the plan was undertaken and the updated plan was adopted at the June 2024 OCM as per resolution 120624.

Community consultation is currently underway to update the Strategic Community Plan, as a major review is due in 2026. It is anticipated that the plan will be drafted for consideration along with the 2026/2027 draft budget cycle.

Comment:

To assist Council to meet its IPR requirements under the Local Government Act 1995, the Local Government (Administration) Regulations 1996, Shire staff have prepared the quarterly report, as attached to this item, for the Committee to consider and, if appropriate, recommend to Council that the quarterly scorecard be adopted and the Integrated Strategic Plan and Workforce Plan components be endorsed for publication.

Consultation:

Lana Foote, Deputy Chief Executive Officer

Statutory Implications:

Local Government Act 1995 and relevant subsidiary legislation.

Policy Implications:

Nil

Strategic Implications:

Shire of Koorda Integrated Strategic Plan 2024

4.1 – Open and transparent leadership.

4.1.1 – Ensure efficient use of resources and the governance and operational compliance and reporting meets legislative and regulatory requirements.

4.3 – Forward planning and delivery of services and facilities that achieve strategic priorities.

4.3.2 – Report to Council progress of Council Actions using a quarterly score card and report results to community.

Risk Implications:

The Risk Theme Profile identified as part of this report is Failure to Fulfil Compliance Requirements. The consequence could be Compliance if the requirements of both the Local Government Act 1995 and the Local Government (Administration) Regulations 1996 are not met in terms of the Shire having a plan for the future of the district. Another consequence could be Reputational if the public perceives that the Shire does not have the business planning tools in place to manage ratepayer money in transparent and accountable manner. The measure of Consequence is Minor, and the likelihood is Unlikely, giving an overall risk rating of Low. Both risks will be mitigated through adherence to the Integrated Planning and Reporting framework.

Financial Implications:

Nil

Voting Requirements: Simple Majority Absolute Majority


Officer Recommendation

That the Audit, Risk & Improvement Committee recommends:

That Council:

1. **Adopts the quarterly reporting documents to March 2026 as attached to this item; and**
2. **Endorses the publication of the Integrated Strategic Plan and Workforce Plan components for community information.**

7.3 Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls – Report to the CEO – March 2026

Governance and Compliance		
Date	12 March 2026	
Location	Not Applicable	
Responsible Officer	Zac Donovan, Chief Executive Officer	
Author	Zac Donovan, Chief Executive Officer	
Legislation	<i>Local Government (Audit) Regulations 1996 Regulation 17</i> <i>Local Government Regulations Amendment Regulations (No. 4) 2025</i>	
Disclosure of Interest	Nil	
Purpose of Report	<input checked="" type="checkbox"/> Executive Decision <input checked="" type="checkbox"/> Legislative Requirement <input type="checkbox"/> Information	
Attachments	FRM Report to the CEO - March 2026	

Background:

With the start of 2026, reforms to the *Local Government Act 1995* have changed the way local governments are required to conduct their statutory reviews. The *Local Government Regulations Amendment Regulations (No. 4) 2025* introduced new requirements that replaced Audit Committees with Audit, Risk and Improvement Committees.

Under the amended *Local Government (Audit) Regulations 1996 Regulation 17*, the CEO must now review the effectiveness of the local government’s systems and procedures for financial management, legislative compliance and risk management, every 4 years, and report the results to the ARIC.

This reform combines Regulation 17 with the previous financial management review requirements under Financial Management Regulation 5, which has been amended so the financial management system reviews are now undertaken as part of the broader Regulation 17 review.

The CEO is required to report the outcomes of the review of systems and procedures relating to financial management, legislative compliance, and risk management to the ARIC. As per Audit Regulation 16, the ARIC must receive and review this report and provide recommendations to Council regarding any improvements to the systems and procedures reviewed.

During 2025, the Shire requested quotes for appropriate consultants to assist the CEO to perform reviews required by legislation relating to the appropriateness and effectiveness of financial management, risk management, legislative compliance systems and procedures as required by legislation.

Moore Australia WA were engaged to assist with this service and attended the Shire from 19 to 21 January 2026 to perform the required fieldwork and prepare a report to assist the CEO in reporting the results of the reviews performed. The review and associated consulting and advisory services were finalised in March 2026.

The purpose of this item is to present the findings identified from the *Local Government (Audit) Regulations 1996 Regulation 17* review to the Audit, Risk and Improvement Committee (ARIC) for consideration and, if satisfactory, recommendation to Council for noting and, where appropriate, acceptance.

Comment:

The attached report includes summarised matters noted during the review, as well as improvements to be considered by the Shire and where applicable, comments from the executive team in response to some findings.

A risk assessment working excel document, summarising the findings and improvements noted within the report has been prepared for internal use by the executive and integration with routine risk management reporting. This risk assessment working document may assist with future status reports for the Shire of Koorda as improvements are implemented and completed.

OPTIONS

It is proposed the ARIC has the following options:

Option 1: The ARIC could choose to recommend to Council that it accepts the controls noted and planned improvements through routine risk management activities and reporting, and notes no additional treatment is required.

Option 2: The ARIC could choose to recommend to Council that further treatment is required for all or a selection of the Findings.

Regardless of the option selected it is suggested that the AIRC should require ongoing assessment and identification of opportunities for improvement to be reported through quarterly risk management updates. And that these updates be provided on an exception basis, that is progressed changes and improvements to the overarching requirements.

As this report offers a more comprehensive assessment of risk management, the Risk Profile item previously presented to the committee is no longer included. The analysis in this report supersedes the earlier findings.

Consultation:

Lana Foote, Deputy Chief Executive Officer
Darren West, Works Supervisor
Tanya Browning, Director, Moore Australia (WA)

Statutory Implications:

Local Government (Audit) Regulations 1996 Regulation 17
Local Government Regulations Amendment Regulations (No. 4) 2025

Policy Implications:

G - Legislative Compliance V1.0
G- Risk management V1.0

Strategic Implications:

Shire of Koorda Integrated Strategic Plan 2024
4.1 Open and Transparent Leadership

Risk Implications:

Risk Profiling Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Category	Compliance
Risk Description	Some temporary non-compliance
Consequence Rating	Minor (2)
Likelihood Rating	Unlikely (2)
Risk Matrix Rating	Low (4)
Key Controls (in place)	Local Government Act and regulations
Action (Treatment)	Progression of risk management activities as identified
Risk Rating (after treatment)	Effective

Financial Implications:

The review was included in the 2025/2026 budget. It isn't anticipated that any recommended improvements at this stage still incur any additional costs to allocations within the operating budget.

Voting Requirements: Simple Majority Absolute Majority

Officer Recommendation

That, the Audit, Risk and Improvement Committee recommends:

That Council:

- 1. Accepts the attached report by the CEO noting the results of the review of appropriateness and effectiveness of systems and procedures for Financial Management, Legislative Compliance and Risk Management.**

- 2. Notes the planned approach to integrate updates relating to progress of matters identified and planned improvements noted from the review with routine risk management activities and reporting to the ARIC.**

8. Urgent Business Approved by the Person Presiding or by Decision

9. Date of Next Meeting

4.00pm Wednesday 17 June 2026.

10. Closure

The Chairperson thanked everyone for their attendance and closed the meeting at x.xxpm.

APPENDIX I – Terms of Reference

Audit, Risk & Improvement Committee

Terms of Reference

1. Name

The name of the committee is the Shire of Koorda Audit, Risk & Improvement Committee.

2. Head of Power

The committee is established by Council under section 5.8 of the *Local Government Act 1995* (C15.09.15).

3. Definitions

TERM	DEFINITION
Act	The <i>Local Government Act 1995</i> .
Council	The body consisting of all council members sitting formally as the Council of Shire of Koorda (“the Shire”).
Chief Executive Officer	The Chief Executive Officer (CEO) of the Shire of Koorda.
Committee	Shire of Koorda Audit and Risk Committee
Council Member	A person elected under the Act as a member of Council. Shire of Koorda council members includes the Shire President, Deputy Shire President and Councillors (as defined by the Act).
External Member	A person who is not a council member appointed to the committee with requisite skills, knowledge and experience that compliment the committees objectives.
Member	A person appointed to this committee.

4. Objectives

The primary objective of the committee is to accept responsibility for the annual external audit and liaise with the Shire’s auditor so that Council can be satisfied with the performance of the Shire in managing its financial affairs.

Reports from the committee will:

- Assist Council in discharging its legislative responsibilities of controlling the Shire’s affairs.
- Ensure openness in the Shire’s financial reporting.
- Liaise with the CEO to ensure the effective and efficient management of the Shire’s financial accounting systems, risk management framework and compliance with legislation.

The committee is to facilitate:

- The enhancement of the credibility and objectivity of external financial reporting.
- Effective management of financial and other risks and the protection of Council assets.
- Compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance.
- The provision of an effective means of communication between the external auditor and Council.
- The reduction of fraud, corruption and misconduct risk as a part of their oversight of financial reporting.

5. Powers

The committee is to report to Council and provide appropriate advice and recommendations on matters relevant to its term of reference. This is in order to facilitate informed decision-making by Council in relation to the legislative functions and duties of the local government that have not been delegated to the CEO.

The committee meets with the auditor of the Shire at least once in every year to satisfy the requirement of section 7.12A(2) of the Act.

The committee does not have executive powers or authority to implement actions in areas over which the CEO has legislative responsibility and does not have any delegated financial responsibility. The committee does not have any management functions and cannot involve itself in management processes or procedures without the approval of the CEO.

6. Functions of the Committee

In accordance with *Local Government (Audit) Regulations 1996*, the committee is to:

- a. Guide and assist the Shire in carrying out:
 - i. its functions under Part 6 of the Act; and
 - ii. its functions relating to other audits and other matters related to financial management.
- b. Guide and assist the Shire in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act.
- c. Review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to:
 - i. report to the council the results of that review; and
 - ii. give a copy of the CEO's report to Council.
- d. Consider the CEO's three yearly reviews of the appropriateness and effectiveness of the Shire's systems and procedures in regard to risk management, internal control and legislative compliance, required to be provided to the committee, and report to Council the results of those reviews.
- e. Oversee the implementation of any action that the Shire:
 - i. is required to take by section 7.12A(3); and
 - ii. has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
 - iii. has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
 - iv. has accepted should be taken following receipt of a report of a review conducted under the *Local Government (Financial Management) Regulations 1996* regulation 5(2)(c).
- f. Perform any other function conferred on the committee by the regulations or another written law.

Additionally, the committee is to:

- a. Review the Shire's draft annual financial report, focusing on:
 - i. accounting policies and practices;
 - ii. changes to accounting policies and practices;
 - iii. the process used in making significant accounting estimates;
 - iv. significant adjustments to the financial report (if any) arising from the audit process;
 - v. compliance with accounting standards and other reporting requirements; and
 - vi. significant variances from prior years.
- b. Consider and recommend adoption of the annual financial report to Council. Review any significant changes that may arise subsequent to any such recommendation, but before the annual financial report is signed.
- c. Address issues brought to the attention of the committee, including responding to requests from Council for advice that are within the parameters of the committee's terms of reference.
- d. Seek information or obtain expert advice through the CEO on matters of concern within the scope of the committee's terms of reference.

6.1. Compliance

The committee's functions in regards to compliance is to:

- a. Review the annual Compliance Audit Return and satisfy itself that the return is supported by appropriate processes and controls.
- b. Provide reasonable confidence about the accuracy of information contained in the Compliance Audit Return and make a recommendation on its adoption to Council.

6.2. Risk Management

The committee's functions in regards to risk management is to:

- a. Ensure the Shire's risk management framework addresses Council's exposure to both strategic and operational risks.
- b. Monitor the effectiveness of the risk management framework through regular reviews and reporting.
- c. Regularly review Council's strategic risk register to check that extreme and high level risk are managed in accordance with the "Risk Management Policy."
- d. Address any specific requests referred from Council in relation to issues of risk and risk management.
- e. At least once every year consider a report from the Shire's Executive Management Team in relation to the management of risk within the Shire, and satisfy itself that appropriate controls and processes are in operation, and are adequate for dealing with risks that impact the Shire.

7. Membership

The committee will consist of three elected members, with a fourth elected member acting as a deputy.

If authorised by the committee, council members attending as observers may participate in the meeting (but are not able to vote).

The CEO and employees are not members of the committee. The Deputy CEO is to provide administrative support to the committee.

Related Documents (Legislation/Local Law/Policy/Procedure/Delegation)

Local Government Act 1995, Section 5.36, 5.39C & 5.40

Review History

Date	Council Resolution	Description of review/amendment
18/12/2023	RES: 111223	Terms of Reference Adopted V2.0
23/10/2023	RES: 191023	Committee Re-established (inclusion of Risk)
15/09/2021	RES: 060921	Terms of Reference Adoption V1.0