Shire of Koorda

Drive in, stay awhile

AGENDA

Audit & Risk Committee Meeting

To be held in Shire of Koorda Council Chambers
10 Haig Street, Koorda WA 6475
Wednesday 17 September 2025
Commencing 4.00pm

NOTICE OF MEETING

Dear Audit & Risk Committee Members,

The next Audit & Risk Committee Meeting of the Shire of Koorda will be held on Wednesday 17 September 2025 in the Shire of Koorda Council Chambers, 10 Haig Street, Koorda, commencing at 4.00pm.

Zac Donovan
Chief Executive Officer
12 September 2025

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No responsibility whatsoever is implied or accepted by the Shire of Koorda for any act, omission or statement or intimation occurring during Council or Committee meetings.

The Shire of Koorda disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement or intimation occurring during Council or Committee meetings.

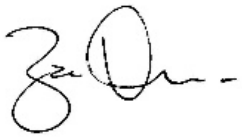
Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or Committee meeting does so at that person's or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a license, and statement or intimation of approval made by a member or officer of the Shire of Koorda during the course of any meeting is not intended to be and is not to be taken as notice of approval from the Shire of Koorda.

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



Zac Donovan
Chief Executive Officer

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Shire of Koorda
Audit & Risk Committee Meeting
4.00pm, Wednesday 17 September 2025

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:

Cr JM Stratford	President & Chair
Cr GW Greaves	Member
Cr GL Boyne	Member
Cr NJ Chandler	Deputy Member

Staff:

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

Visitors:

Cr KA Fuchsbichler	Councillor (TBC)

Apologies:

Approved Leave of Absence:

3. Public Question Time

4. Disclosure of Interest

5. Confirmation of Minutes from Previous Meetings

5.1. Audit & Risk Committee Meeting held on 18 June 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 Committee Meeting held 18 June 2025, as presented, be confirmed as a true and correct record of proceedings.

6. Presentations

7. Officer's Reports

7.1. Quarterly Reporting of Integrated Strategic Plan and Workforce Plan

Governance and Compliance	
Date	10 September 2025
Location	Not Applicable
Responsible Officer	Zac Donovan, Chief Executive Officer
Author	Zac Donovan, Chief Executive Officer
Legislation	*Local Government Act 1995;* *Local Government (Administration) Regulations 1996*
Disclosure of Interest	Nil
Purpose of Report	☐Executive Decision ☒Legislative Requirement ☒Information
Attachments	Quarterly Scorecard – September 2025

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.

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
Jannah Stratford, President, Shire of Koorda

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 Committee recommends:

That Council:

1. **Adopts the quarterly reporting documents to September 2025 as attached to this item; and**

2. **Endorses the publication of the Integrated Strategic Plan and Workforce Plan components for community information.**

7.2. Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls

Governance and Compliance	
Date	10 September 2025
Location	Not Applicable
Responsible Officer	Zac Donovan, Chief Executive Officer
Author	Zac Donovan, Chief Executive Officer
Legislation	*Local Government (Audit) Regulations 1996 – Reg 16 and 17*
Disclosure of Interest	Nil
Purpose of Report	☐Executive Decision ☒Legislative Requirement ☐Information
Attachments	FRM Action Plan – September 2025

Background:

The Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance.

At the May 2023 Audit Committee Meeting, the Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls was presented for consideration with the below committee recommendation being resolved at the May 2023 Council Meeting.

Committee Recommendation
RESOLUTION 050523

Moved CR GW Greaves **Seconded CR BG Cooper**

That Council:

1. Receives Moore's Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls report, dated April 2023 (Attachment A);

2. Directs the CEO to provide a report, on a quarterly basis, to the Audit Committee to enable the Committee to monitor the Shire's progress in addressing the recommendations, pursuant to Regulation 16 (d) of the Local Government (Audit) Regulations 1996; and

3. Directs the CEO at the first quarterly review to provide proposed actions, including expected completion dates, to the recommendations identified in the report.

CARRIED BY ABSOLUTE MAJORITY 6/0

Comment:

This report has been presented to the Audit & Risk committee as the committee has a role in supporting Council in fulfilling its governance and oversight responsibilities and provide the audit committee with the opportunity to raise any issues that the document has identified or ask any other questions, they may have in relation to our risk management and compliance activities.

An initial report was tabled at the June 2023 Audit Committee Meeting and the attached Action Plan is an update on actions that have been taken within the past quarter to align with the quarterly reporting on the Integrated Strategic Plan.

Consultation:
Lana Foote, Deputy Chief Executive Officer
Administration Staff

Statutory Implications:
Regulation 16 of the Local Government (Audit) Regulations 1996 prescribes the functions of an Audit Committee which includes;
"16 (c) to review a report given to it by the CEO under regulation 17(3) and is to –
(i) Report to the council the results of that review; and
(ii) Give a copy of the CEO's report to the council."

"16 (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under –
(i) Regulations 17 (1); and
(ii) The Local Government (Financial Management) Regulations 1996 regulation 5(2)(c)."

Regulation 17 of the Local Government (Audit) Regulations 1996 reads as follows;
"(1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
a) risk management; and
b) internal control; and
c) legislative compliance.

(2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

(3) The CEO is to report to the audit committee the results of that review."

Regulation 5 (2) (c) of the Local Government (Financial Management) Regulations 1996 states that -
"the CEO is to undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews."

Policy Implications:
The review recommended some potential improvement opportunities to some of the Council's policy. These will be considered separately by the Policy Review Committee and Council at the completion of the review process. Comments made in the FM Review relating to specific Policies and Procedures will be taken on-board as part of the review process.

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

Risk Implications:

The CEO would be contravening the *Local Government (Audit) Regulations 1996* if this review was not undertaken at least once every 3 financial years. The CEO is to report to the Audit & Risk Committee the results of this review.

The Financial Management, Risk Management, Legislative Compliance and Internal Controls Review covers a robust area of risk assessment and compliance with auditing in compliance with the Local Government Act 1995 and associated Regulations. The objective of this review is to identify risks to the organisation where non-compliant activities may have taken place enabling processes and procedures to be developed or reviewed and amended, if required.

Financial Implications:

Nil.

Voting Requirements: ☒Simple Majority ☐Absolute Majority

Officer Recommendation

That, in accordance with Regulations 16 and 17 of the *Local Government (Audit) Regulations 1996*, the Audit & Risk Committee recommends;

That Council as per the quarterly report document to September 2025 as attached to this item, notes and endorses the actions taken to the identified improvements highlighted in the Financial Management, Risk Management, Legislative Compliance and Internal Controls review.

7.3. Shire of Koorda Risk Profile Report

Governance and Compliance	
Date	10 September 2025
Location	Not Applicable
Responsible Officer	Zac Donovan, Chief Executive Officer
Author	Zac Donovan, Chief Executive Officer
Legislation	*Local Government (Audit) Regulations 1996 – Reg 16 and 17* *Local Government Act 1995* AS/NZS ISO 31000:2018
Disclosure of Interest	Nil
Purpose of Report	☒Executive Decision ☒Legislative Requirement ☐Information
Attachments	Shire of Koorda Risk Profile Action Plan - September 2025

Background:

The Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance.

In addition to the Review of Financial Management, Risk Management, Legislative Compliance and Internal Controls undertaken by Moore in February 2023, as per the above item, Staff undertook an additional review, facilitated by LGIS, to understand the Operational Risks within the organisation.

The Risk Profile workshop, undertaken in October 2023, worked through 15 risk themes to identify what is the risk of this occurring at the Shire, both with and without controls, and what controls are, or should be in place.

Under the Risk Management Framework, the Shire utilises risk profiles to capture its operational and strategic risks. The profiles assessed are:

- Asset Sustainability
- Business and Community Disruption
- Community Engagement
- Compliance Obligations
- Document Management
- Employment Practices
- Environment Management
- Errors, Omissions and Delays
- External Theft and Fraud
- IT, Communication Systems and Infrastructure
- Management of Facilities, Venues and Events
- Misconduct
- Project / Change Management
- Purchasing and Supply
- WHS

For each category, the profile contains the following:

- Objective.
- Risk Event.
- Potential Causes.
- Key Controls / Control Type.
- Control Adequacy.
- Control owner.
- Risk Rating.
- Actions and Responsibility.

Comment:

This report has been presented to the Audit & Risk Committee as the committee has a role in supporting Council in fulfilling its governance and oversight responsibilities and provide the audit committee with the opportunity to raise any issues that the document has identified or ask any other questions, they may have in relation to our risk management and compliance activities.

The initial Risk Profile Report was tabled at the December 2023 Audit & Risk Committee Meeting. Similar to the FRM Action Plan, the Risk Profile will be tabled at the quarterly Audit & Risk Committee workshops as a tracking tool to determine progress made against the key themes and improvements towards any identified areas of improvement.

Consultation:

Lana Foote, Deputy Chief Executive Officer
Darren West, Works Supervisor
Kristyn Harrap, Governance Officer
Chris Gilmour, Regional Risk Coordinator, LGIS
Ben Galvin, Divisional Manager - Risk Services, LGIS

Statutory Implications:

Local Government Act 1995
AS/NZS ISO 31000:2018
Regulation 16 of the Local Government (Audit) Regulations 1996 prescribes the functions of an Audit Committee which includes;
"16 (c) to review a report given to it by the CEO under regulation 17(3) and is to –
(i) Report to the council the results of that review; and
(ii) Give a copy of the CEO's report to the council."

"16 (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under –
(i) Regulations 17 (1); and
(ii) The Local Government (Financial Management) Regulations 1996 regulation 5(2)(c)."

Regulation 17 of the Local Government (Audit) Regulations 1996 reads as follows;
"(1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
a) risk management; and
b) internal control; and
c) legislative compliance.

(2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

(3) The CEO is to report to the audit committee the results of that review."

Policy Implications:

Shire of Koorda Risk Management Strategy 2023
Policy "G - Risk Management" states;
Risk Assessment and Acceptance Criteria
The Shire quantified its broad risk appetite through the development and endorsement of the Shire's Risk Assessment and Acceptance Criteria. The criteria are included within the Risk Management Framework and as a component of this policy.

All organisational risks are to be assessed according to the Shire's Risk Assessment and Acceptance Criteria to allow consistency and informed decision making. For operational requirements such as projects or to satisfy external stakeholder requirements, alternative risk assessment criteria may be utilised, however these cannot exceed the organisations appetite and are to be noted within the individual risk assessment.

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.

Risk Implications:
The Shire of Koorda has adopted a 'Three Lines of Defence' model for the management of risk. This model ensures roles, responsibilities and accountabilities for decision making are structured to demonstrate effective governance and assurance. By operating within the approved risk appetite and framework, Council, management and the community will have assurance that risks are managed effectively to support the delivery of the strategic, corporate and operational plans.

The Risk Profile covers a robust area of risk assessment. The objective of this review is to identify potential and actual risks to the organisation, determine the chances of these risks occurring within the organisation and identify key controls that are and should be in place to help reduce or mitigate the perceived risks.

Financial Implications:
Resource requirements are in accordance with existing budgetary allocation.

Voting Requirements: ☒Simple Majority ☐Absolute Majority

Officer Recommendation

That, in accordance with Regulations 16 and 17 of the *Local Government (Audit) Regulations 1996*, the Audit & Risk Committee recommends;

That Council, as per the quarterly report document to September 2025 as attached to this item, notes and endorses the actions taken to the identified improvements highlighted in the Risk Profile.

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

9. Date of Next Meeting

5.00pm Wednesday 17 December 2025.

10. Closure

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

APPENDIX I – Terms of Reference

Audit and Risk Committee

Terms of Reference

1. Name

The name of the committee is the Shire of Koorda Audit and Risk 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 *Local Government Act 1995*.
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