



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

Tuesday 29 September 2026

Commencing 4.00pm

NOTICE OF MEETING

Dear Audit, Risk & Improvement Committee Members,

The next Audit & Risk Committee Meeting of the Shire of Koorda will be held on Tuesday 29 September 2026 in the Shire of Koorda Council Chambers, 10 Haig Street, Koorda, commencing at 4.00pm.

Zac Donovan
Chief Executive Officer
25 September 2026

DISCLAIMER

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

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

Zac Donovan
Chief Executive Officer

Table of Contents

1.	Declaration of Opening	4
2.	Record of Attendance, Apologies and Leave of Absence	4
3.	Public Question Time	4
4.	Disclosure of Interest	4
5.	Confirmation of Minutes from Previous Meetings	5
5.1.	Audit, Risk & Improvement Committee Meeting held on 24 June 2026	5
6.	Presentations	5
7.	Officer's Reports	6
7.1.	Compliance Audit Return 2026	6
7.2.	CEO Report - Financial Management, Legislative Compliance, Risk Management and Internal Controls Review	8
7.3.	Update on Progress - Financial Management, Legislative Compliance, Risk Management and Internal Controls Review	14
7.4.	Quarterly Reporting of the Strategic Community Plan and Workforce Plan	16
8.	Urgent Business Approved by the Person Presiding or by Decision	18
9.	Date of Next Meeting	18
10.	Closure	18
	APPENDIX I – Terms of Reference	19

Shire of Koorda
Audit, Risk & Improvement Committee Meeting
4.00pm, Tuesday 29 September 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
Miss R Coufos	Executive Support Officer

Visitors:

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 24 June 2026

[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 24 June 2026, as presented, be confirmed as a true and correct record of proceedings.

6. Presentations

7. Officer's Reports

7.1. Compliance Audit Return 2026

Governance and Compliance		
Date	23 September 2026	
Location	Not Applicable	
Responsible Officer	Zac Donovan, Chief Executive Officer	
Author	As Above	
Legislation	<i>Local Government Act 1995 Section 7.13 (i)</i> <i>Local Government (Audit) Regulations 1996 – Reg 13, 14 and 15</i> <i>Local Government Amendment Regulations (no. 4) Reg 15(2)</i>	
Disclosure of Interest	Nil	
Purpose of Report	☐ Executive Decision ☒ Legislative Requirement ☐ Information	
Attachments	Compliance Audit Return 2026 SOKD OAG Interim Management Letter SOKD	

Background:

As per the Local Government Act 1995, each local government is to carry out a Compliance Audit Return for the previous 12 months against certain requirements set by the Department of Local Government, Industry Regulation and Safety (DLGIRS).

Once completed, the CAR is presented to the Audit, Improvement and Risk Committee and then a report is to be presented to Council for adoption of the return. A copy of the completed CAR is included as an attachment for this item.

The Audit, Improvement and Risk Committee has been requested to review the CAR for 2026, if so resolved, present to Council for adoption so the CAR may be submitted prior to 30 September 2026.

Comment:

For previous periods the annual Compliance Audit Return is scheduled to be completed for the previous year, adopted by Council and submitted to the Department 31 March. However, reform regulations introduced from 1 January 2026 requires the CAR to be completed and submitted to the Local Government Inspector by 30 September 2026.

The later CAR completion date will only apply for the 2026 return with all future returns to comply with 31 March. The change for the 2026 return was to facilitate the transition for the newly created oversight role of the Local Government Inspector.

In addition, the amendments permit the Local Government Inspector to limit prescribed CAR requirements (Audit Reg. 15A). As such, the Inspector advised the sector on 1 July 2026 that the 2026 CAR would not include all statutory requirements as set out in Audit Regulation 13.

Consequently, the Shire of Koorda 2026 Compliance Audit Return is provided to the Audit, Improvement and Risk Committee to recommended to Council for adoption at the September Ordinary Meeting of Council.

The CAR reporting is in part supported by the Office of the Auditor General management letter (attached) that the result of the interim audit to primarily evaluate the financial control environment within the Shire was found to be satisfactory with no issues raised.

Consultation:

Tony Brown, Local Government Inspector
Lana Foote, Deputy Chief Executive Officer

Statutory Implications:

Local Government Act 1995 Section 7.13 (i)
Local Government (Audit) Regulations 1996 – Reg 13, 14 and 15
Local Government Amendment Regulations (no. 4) Reg 15(2)

Policy Implications:

Policy G - Legislative Compliance

Strategic Implications:

Shire of Koorda Strategic Community Plan 2026-2036
4.1 – Strengthen engagement and transparency.
4.2 – Deliver Infrastructure and Services Efficiently

Risk Implications:

Risk Profiling Theme	Non-compliance by not meeting the submission deadline
Risk Category	Compliance
Risk Description	As suggested the CAR is a self-report on various compliance requirements. The risk is that CAR is not submitted within the revised deadline.
Consequence Rating	Major (4)
Likelihood Rating	Unlikely (2)
Risk Matrix Rating	Moderate (8)
Key Controls (in place)	Awareness of compliance requirements by AIRC and Council
Action (Treatment)	Timely agenda items
Risk Rating (after treatment)	Adequate

Financial Implications:

Nil additional

Voting Requirements: ☒ Simple Majority ☐ Absolute Majority

Officer/Committee Recommendation

That, in accordance with Regulations 14 and 15 of the *Local Government (Audit) Regulations 1996*, as amended from 1 January 2026, the Audit Risk and Improvement Committee recommends that;

1. Council receives and adopts the 2026 Compliance Audit Return, as presented to the Audit Risk and Improvement Committee on 29 September 2026.
2. The 2026 Compliance Audit Return is submitted to the Local Government Inspector, signed by the Shire President and CEO, prior to 30 September 2026.

7.2. CEO Report - Financial Management, Legislative Compliance, Risk Management and Internal Controls Review

Governance and Compliance		
Date	22 September 2026	
Location	Not Applicable	
Responsible Officer	Zac Donovan, Chief Executive Officer	
Author	As above	
Legislation	<i>Local Government Act 1995</i> <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	☒ Executive Decision ☒ Legislative Requirement ☐ Information	
Attachments	SOKD Financial Management Audit Reg 17 Review - Summary Report	

Background:

As per the Local Government (Audit) Regulations 1996, the CEO of each local government is to review the appropriateness and effectiveness of the entity's systems and procedures in relation to three broad aspects: Financial Management, Legislative Compliance and Risk Management.

Aligned with the State Governments local government reform process, from 1 January 2026, the review of each component does not need to occur concurrently but must be completed at least once every four years with the results reported to the Audit Improvement and Risk Committee.

The AIRC meeting of 18 March 2026, was presented the detailed report provide to the CEO by consultancy Moore Australia who were engaged by the Shire to assist with the process and provide an independent assessment. A project plan to redress the matters raised was presented to the ARIC of 24 June 2026 with an update provided separately later in the ARIC 29 September meeting agenda.

The purpose of this item is for the CEO to provide the ARIC an assessment of the matters raised in the review by Moore Australia and consequently the appropriateness and effectiveness of the Shire's systems and procedures in relation to the three aspects reviewed by regulation.

Comment:

Before the changes of 1 January 2026, the aspects required to be reviewed as part of Regulation 17 were: Risk Management, Internal Controls and Legislative Compliance at the interim of once at least every three years. Under this schedule the Shire of Koorda commenced discussions with Moore Australia in 2025 to ensure the review would be completed in 2026.

Consequently, the review has been undertaken to capture both the components required at the commencement of the review and the changes implemented from 1 January resulting in the current review considering the appropriate and effectiveness of current requirements - Financial Management, Legislative Compliance and Risk Management - and the previous Internal Controls requirement.

The summary report by Moore Australia (attached) which redressed the appropriate and effectiveness of the four aspects, was previously sent out of session to the committee members following the request of 24 June ARIC meeting for Moore Australian to offer their "professional opinion on the appropriateness and effectiveness of the systems applied by the Shire of Koorda".

As detailed in the attached report, for each of the 4 components reviewed – Financial Management, Legislative Compliance, Risk Management and Internal Controls – Moore Australia found the Shire's systems and procedures were largely effective and appropriate for the size of the local government.

The review did identify significant improvements across the components and in a number of instances observed that the capacity of the Shire to meet its compliance and procedural obligations were heavily dependent on the knowledge and integrity of a small number of senior staff.

To help establish the appropriateness of the recommendations by Moore Australia to redress the matters raised, the following tables identify each as either legislative Non-Compliance matters, Control Deficiencies in risks or controls, and those recommendations considered Best Practice.

An additional allocation and table is provided – termed Modify Approach - for those recommendations which may be Control Deficiency or Best Practice components but that for which the recommendations proposed in the Moore Australia report is not considered appropriate for a local government with the financial and human resources of the Shire of Koorda.

The rationale for each of the four tables is as per the following table:

Non-Compliance	Specific legislative requirement which Moore has identified as not being met, or there is a strong basis to conclude the Shire is not complying with legislation.
Control Deficiency	Not necessarily a breach of legislation, but a material weakness in financial, governance, WHS, ICT or operational controls which should be addressed.
Best Practice	A desirable improvement but not a statutory requirement. The Shire can determine how, when or whether it should be implemented.
Modify Approach	Legitimate improvement, but the solution proposed more appropriate to a larger local government and should be scaled to Koorda's size and resources.

The following provides the allocation of the various matters to the respective tables with Non-Compliance the priority to redress, followed by Control Deficiencies and with a lower priority matters which are Best Practice

Matters of Genuine Non-Compliance

Reference	Recommendation	Response
4.2.1	Elected Member, CEO and Employee Attendance at Events – approval and dispute processes do not properly reflect statutory roles	Council President/Deputy President should not be given administrative powers that belong to Council or CEO. Rewrite approval and dispute provisions.
4.2.2	Continuing Professional Development Policy has not been reviewed following the required election cycle.	This is a specific statutory requirement under s5.128. Moore identifies the policy as last reviewed in June 2023.
4.2.4	Donations and Requests to Waive Fees – fees, discounts and waivers need to comply with adopted fees and legislative authority.	Fees should be charged at adopted rates unless a lawful authority exists for a concession/waiver.
4.2.9	Review policies routinely.	Prioritise policies with statutory review requirements and high-risk.
5.1.1	Update Code of Conduct following legislative changes and update induction	Legislative requirement
5.1.3	Corporate Business Plan has not been reviewed annually.	Separate Corporate Business Plan from Integrated Plan and review annually as per Reg. 19DA(4).
5.2.28	Annual Council Member Training Report	Specific statutory reporting obligation
5.2.29	Evidence and monitoring of statutory public notices	Maintain a simple statutory advertising/public notice register.
5.2.31	ARIC meeting fees following SAT determination	Council should formally address the SAT determination and ensure fees/superannuation arrangements comply
5.2.33	Correct statutory information in Annual Report	Omissions and incorrect/outdated legislative references in the 2024/25 Annual Report.
6.1.2	Improve Council minute recording, attachments and publication.	Minutes and publication requirements should be met but do not create duplication

6.2.1	Tender register / tender-related statutory record and publication	Maintain the required tender register and publication arrangements.
6.2.2	Delegation Register – ensure delegations, policy links, review history and exercise are properly recorded	Identified delegations that may not have been properly adopted and gaps in recording review/amendment history.
6.4.1	Record of information about conduct / complaints register under s5.96C	Public record a statutory requirement irrespective of zero issues to record

Control Deficiency

Reference	Recommendation	Response
4.2.5	Ensure procurement requirements are applied consistently, including where exemptions apply.	Particularly important because Moore found examples where quotations and exemption evidence were unavailable.
4.2.5	Sole-source procurement should consider risk and control environment.	Require a short documented justification for sole-source purchases.
4.2.11	Remove operational procedures from Council policies	Removes potential for governance issues and provides clarity CEO/Council roles.
5.1.2	Update Risk Management Framework and remove outdated references.	The issue identified is inconsistency/outdated material rather than statutory breach.
5.1.5	Independent ICT risk review	Cybersecurity deserves independent assurance, but the scope should reflect Koorda's actual risk.
5.1.5	Review risks associated with relying on a single IT provider, including SLA and qualifications.	A small Shire is particularly exposed to key-person and/or provider dependency
5.2.1	Formalise risk-management procedures and reporting to ARIC	Use one consolidated risk register/report rather than multiple departmental systems.
5.2.5	Evidence routine reviews, approvals and independent checks.	Inexpensive and provides strong audit evidence
5.2.7	Improve physical access security to Shire facilities and document risks	A simple risk register entry and access procedure should suffice.
5.2.8	Formal ICT risk evaluation and risk register	Integrate into the corporate risk register rather than create another standalone system.
5.2.11	Secure ABA banking files and prevent unauthorised alteration	Significant fraud-control issue.
5.2.12	Strong verification and authorisation procedures for changes to supplier/employee banking details.	Implement independent callback verification and documented authorisation.
5.2.13	Secure cash handling and documented procedures	Simple cash-handling procedure and reconciliation process is adequate.
5.2.14	Independent review/authorisation of journals and evidence of review	Particularly important where staffing makes segregation difficult
5.2.15	Bank/balance-sheet reconciliation review controls	Reconciliations are fundamental financial controls, although Moore's proposed level of independent review can be scaled to Koorda.
5.2.16	Risk-based stocktakes, reconciliations and stock controls	Frequency should depend on value and risk rather than automatically requiring frequent stocktakes.
5.2.18	Strengthen revenue collection, cash and debtor controls	Identified weaknesses in manual revenue processes and segregation
5.2.20	Formal review of rate-exempt properties	Establish a simple annual register/review process.
5.2.21	Purchase orders, quotations and documented exemptions	Instances where required quotations, purchase orders and exemption evidence were unavailable
5.2.23	Regular review of outstanding purchase orders	Low-cost and useful for monitoring liabilities
5.2.24	Purchasing-card agreements, monthly certification and independent review	Independent review can be undertaken by an appropriately senior officer rather than creating another position.
5.2.25	Strengthen third-party contract management	Particularly for contractors delivering services

5.2.26	Review/monitor indirect costs and capitalisation	Normal accounting control rather than an elaborate additional system
5.2.27	Improve electronic and hard-copy recordkeeping and staff training	Recordkeeping obligations are statutory. The particular filing/EDRMS solution is not.
5.3.2	Employee entitlement/master list controls.	Maintain an authoritative record of salary, allowances, leave and entitlements
5.4.1	Verify contractor insurance/licences before work and retain evidence.	Particularly important for higher-risk contractors and works.
6.1.1	Include identified risks in Council/ARIC agenda items	Significant risks should accompany decisions; there is no need to produce a detailed risk assessment for every routine Council matter
6.1.2	Monthly payment list should contain only information required by legislation	Unnecessary sensitive/commercial information should not be published
6.2.4	Register of Development Applications and Building Permits	The key objective is ensuring statutory processing timeframes can be monitored
6.2.6	Register of hazardous materials, including asbestos.	Sensible risk control, particularly where Shire-controlled buildings/assets may contain asbestos
6.2.7	Register of regulatory and health inspections	A central spreadsheet/register is adequate; there is no need for a sophisticated system
6.5.1	WHS audit and follow-up of identified actions.	Risk based Tier 2 audit planned for later in period with request to focus on statutory requirements

Best Practice

Reference	Recommendation	Response
4.2.5	Remove officer purchasing approval limits from Council policy and place them in CEO operational procedures.	Council should set procurement policy; CEO should establish operational delegations/procedures.
4.2.5	Remove supplier "order of priority".	Simplify the policy and focus on value, probity, competition and legislative requirements.
4.2.5	Remove/update Regional Price Preference reference	Remove obsolete or misleading references.
5.4.2	Maintain an insurance claims register.	No formal requirement and low priority

As mentioned, a number of the Control Deficiencies and Best Practice matters have been separated out to identify that while these have value the recommendations as proposed by Moore Australia is not considered appropriate for a Band 4 local government. None of the Non Compliance matters are included in the Modify section are these are non- negotiable requirements.

Modify Recommendation

Reference	Recommendation	Response
4.2.5	Establish controls for contract variations and extensions.	A written justification and appropriate approval should be sufficient; no elaborate process is necessary for a small Shire.
4.2.5	Establish controls for contract variations and extensions	Simplify recommendation. A written justification and appropriate approval should be sufficient; no elaborate process is necessary for a small Shire.
4.2.7	Fraud and Corruption Control Policy to align with AS 8001:2021	Maintain practical fraud-control framework, but compliance with every aspect of AS 8001 is not a statutory requirement.
4.2.8	Risk Management Policy to align with ISO 31000:2018.	Framework can be consistent with ISO 31000 without needing large ISO-style system.
5.1.2	Align framework with ISO 31000 and conduct routine reviews.	Adopt the principles but retain a simple, usable framework.
5.1.5	Develop an ICT Strategic Plan.	A concise ICT risk/security plan may be more appropriate than a substantial strategic plan.

5.1.6	Test Business Continuity/Disaster Recovery Plan annually.	An annual desktop exercise involving key staff should be sufficient. Moore found not tested.
5.2.2	Formalise operational procedures/checklists/workflows	Document only high-risk or repetitive processes where failure could cause financial loss, fraud, legal breach or service disruption.
5.2.4	Improve segregation of duties and introduce independent checks where staffing limits segregation	Need to implement in consideration of staffing constraints.
5.2.9	Comprehensive independent ICT security review.	Priority because cyber risk can be significant even in a small Shire.
5.2.22	Three people independently assess high-value/high-risk procurement	Use "an appropriate level of independent assessment having regard to value, complexity and risk." Moore's three-person proposal is primarily a probity/control mechanism
5.2.32	Formal grants management system/register	A simple grants register with application, conditions, acquittal and reporting dates should be sufficient.
5.3.1	Payroll Masterfile controls; independent checking of payroll and employee entitlements	There needs to be independent review, but proposed comprehensive review every fortnight may be unnecessarily onerous.
5.3.3	Induction of employees, councillors, contractors and volunteers	Employees and councillors should receive appropriate induction. Contractors/volunteers should receive induction where relevant to their role and risk, rather than a blanket process. Moore identified that contractors and volunteers were not currently included.
6.4.2	Community complaints register and monitoring procedures.	Apply simple spreadsheet/register is adequate given Koorda's relatively low complaint volume
6.5.2	Expanded internal audit function	A small, risk-based internal audit program using external/shared/regional resources is much more appropriate.

As provided elsewhere in the agenda, significant progress has been made on about 65 per cent of the matters and recommendations. The CEO commentary provided as to the appropriateness and effectiveness of the various recommendations should be considered separate to any progress report.

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 Strategic Community Plan 2026-2036
4.1 Strengthen engagement transparency and trust
4.2 Deliver infrastructure and services efficiently
4.3 Maintain strong financial sustainability

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:

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 and Improvement Committee recommends:

That Council receives the report as to the appropriateness and effectiveness of the Shire's systems and procedures and application of the review recommendations.

7.3. Update on Progress - Financial Management, Legislative Compliance, Risk Management and Internal Controls Review

Governance and Compliance		
Date	21 September 2026	
Location	Not Applicable	
Responsible Officer	Zac Donovan, Chief Executive Officer	
Author	As above	
Legislation	<i>Local Government (Audit) Regulations 1996 – Reg 16 and 17</i>	
Disclosure of Interest	Nil	
Purpose of Report	☐ Executive Decision ☒ Legislative Requirement ☐ Information	
Attachments	2026.09 Update - AR17 & FMR Report	

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.

From 1 January 2026, reforms to the *Local Government Act 1995* how local governments are to conduct statutory reviews. Under the amended Regulation 17, the CEO must now review the effectiveness and appropriateness of the Shire's systems and procedures for financial management, legislative compliance and risk management, every 4 years, and report the results to the ARIC.

As per the revised 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.

The ARIC Committee meeting of 18 March (and consequent Ordinary Council meeting of the same date) was presented the detailed report presented to the CEO from a review of the Shire's Regulation 17 requirements by Moore Australia who were contracted by the Shire for the task.

The ARIC Committee meet and OCM of 24 June, were presented with an update of the actions to redress the issues raised. The purpose of this item is to update the ARIOC Committee of the continuing progress on these matters.

Comment:

In all there were 73 areas identified in the Moore review for redress by the Shire of which 26 have been ranked as a high priority. The attached report details the progress on each of the matters.

The summary of the actions completed and those yet to be initiated or completed is attached for consideration.

As shown, since the last quarter nine more matters have been completed and six more commenced to bringing the progress to 64 per cent of all matters being either completed or underway since the report was provided to the Shire in March. More importantly of the 26 matters that were identified as priorities, 13 have been completed with six more underway representing 73 per cent of priority matters.

Consultation:

Lana Foote, Deputy Chief Executive Officer
Administration Staff

Statutory Implications:

Local Government (Audit) Regulations 1996 Regulation 16 and 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 Strategic Community Plan 2026-2036

4.1 Strengthen engagement transparency and trust

4.2 Deliver infrastructure and services efficiently

4.3 Maintain strong financial sustainability

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:

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 and Improvement Committee recommends:

That Council as per the quarterly report document to September 2026 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.

7.4. Quarterly Reporting of the Strategic Community Plan and Workforce Plan

Governance and Compliance		
Date	23 September 2026	
Location	Not Applicable	
Responsible Officer	Zac Donovan, Chief Executive Officer	
Author	As above	
Legislation	<i>Local Government Act 1995;</i> <i>Local Government (Administration) Regulations 1996</i>	
Disclosure of Interest	Nil	
Purpose of Report	☒ Executive Decision ☒ Legislative Requirement ☐ Information	
Attachments	Quarterly Scorecard – September 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 and a Corporate Business Plan. 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 Strategic Community Plan and Corporate Business Plan 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 Strategic Community Plan and Corporate Business Plan) at the Ordinary Council Meeting of 20 April 2022. The plan was updated at the June 2024 OCM. However, the recent Regulation 17 review, identified that combining the two plans into a single document was not appropriate and consequently the Shire has moved to create separate plans.

As such at the OCM of 19 August 2026, Council adopted the Shire of Koorda Strategic Community Plan 2026-2036. The accompanying draft Corporate Business Plan – from which the revised Workforce plan will flow - was presented to the Council Information Forum of 19 August for feedback so to finalise and present to the OCM of 29 September for endorsement.

The draft Shire of Koorda draft Corporate Business Plan 2026-2030 and Workforce Plan 2026 are included on the agenda for the rescheduled OCM of 29 September.

Comment:

As the new Corporate Business Plan and accompanying Workforce Plan is yet to be presented to Council for endorsement, the attached Quarterly Scorecard updated to September 2026 review actions associated with the new Strategic Community Plan 2026-2036 and the existing Workforce Plan 2025.

The Quarterly Scorecard report is provided to Council to assist Council to meet its Integrated Planning and Reporting requirements as per the Local Government Act 1995 and Local Government (Administration) Regulations 1996.

The September 2026 Quarterly Scorecard is provided to the Audit Risk and Improvement Committee to consider with the view to recommend to Council that the Strategic Community Plan and Workforce Plan components be endorsed for publication.

Consultation:

Nil

Statutory Implications:

Local Government Act 1995

Local Government (Administration) Regulations 1996.

Policy Implications:

Nil

Strategic Implications:

Shire of Koorda Strategic Community Plan 2026-2036

4.1 – Strengthen engagement and transparency.

4.2 – Deliver Infrastructure and Services Efficiently

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:

Nil

Voting Requirements: ☒ Simple Majority ☐ Absolute Majority

Officer Recommendation

That the Audit Risk and Improvement Committee recommends:

That Council:

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

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

9. Date of Next Meeting

4.00pm Wednesday 16 December 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 (ARIC).

2. Head of Power

These Terms of Reference (ToR) are established under section 5.8 of the Local Government Act 1995 (the Act) and give effect to the Act’s requirement to establish an Audit, Risk and Improvement Committee (ARIC) (Part 7, Division 1A), as inserted by the Local Government Amendment Act 2024 and supported by the Local Government Regulations Amendment Regulations (No. 4) 2025. The ToR must be read in conjunction with the Local Government (Audit) Regulations 1996 and the Local Government (Financial Management) Regulations 1996 as amended from 1 January 2026.

3. Definitions

TERM	DEFINITION
Act	<i>Local Government Act 1995.</i>
ARIC	Audit, Risk & Improvement Committee of the Shire of Koorda.
Audit Regulations	Local Government (Audit) Regulations 1996 (WA)
Council	The Council of the Shire of Koorda.
CEO	The Chief Executive Officer of the Shire of Koorda.
Financial Management Regulations	Local Government (Financial Management) Regulations 1996 (WA)

4. Purpose and Objectives

Provide independent advice and assurance to Council on financial reporting, risk management, governance and continuous improvement.

Oversee and make recommendations arising from reports under Part 7 of the Act, compliance audits, and CEO reviews of systems and procedures under regulation 17 of the Audit Regulations.

Monitor implementation of actions that the Shire is required to take under the Act or has committed to in response to audit and review findings, including actions reported under section 7.12A.

5. Powers

The ARIC is an advisory committee of Council. It has no executive or management functions and cannot direct Shire staff. Council may delegate to the ARIC only powers and duties permitted by section 7.1C of the Act. Decisions of the ARIC are made by simple majority (section 7.1CA).

6. Functions of the Committee

Receive and review reports on, and recommend to Council actions to be taken in relation to: (i) audits under Part 7 of the Act; (ii) compliance audits; and (iii) reviews under regulation 17 of the Audit Regulations.

Receive and review reports on the appropriateness and effectiveness of, and recommend to Council improvements to, systems and procedures in relation to: (i) financial management; (ii) legislative compliance; and (iii) risk management.

Receive and review reports on, and recommend to Council improvements to, the implementation of any actions the Shire: (i) is required to take under section 7.12A(3); (ii) has stated it has taken or intends to take under section 7.12A(4)(a); (iii) has otherwise decided to take in response to reports or recommendations referred to above; and (iv) has stated it has done or proposes to do in written advice under sections 8.6(1)(a) or 8.23(4)(a).

Perform any other function conferred on the ARIC by the Audit Regulations or another written law.

7. CEO reviews of systems and procedures (Audit Reg. 17)

The CEO must review the appropriateness and effectiveness of systems and procedures in relation to financial management, legislative compliance and risk management, with each of these matters reviewed not less than once every four (4) financial years. The CEO must report the results of each review to the ARIC, which will consider the report and make recommendations to Council on any actions required.

8. Compliance Audit Return (CAR)

The ARIC will review the annual Compliance Audit Return prepared in accordance with the Audit Regulations, including the prescribed statutory requirements listed in regulation 13. The ARIC will recommend to Council any actions arising. In accordance with regulation 15, the signed Compliance Audit Return and other prescribed information must be provided to the Local Government Inspector.

9. External and internal audit oversight

External audit: The Office of the Auditor General is responsible for financial audits of local governments. The ARIC will meet with the external auditor as required, receive the auditor's reports, and recommend actions to Council, including monitoring implementation of agreed actions (section 7.12A).

Internal audit: The ARIC will review and recommend the internal audit plan, consider internal audit reports and monitor management's implementation of recommendations.

10. Risk management, business continuity and continuous improvement

The ARIC will oversee the Shire's enterprise risk management framework, business continuity and disaster recovery planning, and drive a culture of continuous improvement in governance, financial management and service delivery.

11. Membership and independence

Presiding Member: an independent person (cannot be a council member of any local government).

Deputy Presiding Member: an independent person (cannot be a council member of any local government).

Members: Council will appoint additional members (council members and/or independent persons) as it considers appropriate. No employee of the Shire may be a member and no member may be nominated by, or appointed to represent, an employee.

Deputies: Council may appoint deputies in accordance with section 5.11A of the Act (noting deputies to the Presiding or Deputy Presiding Member must also be independent and not council members).

12. Terms and remuneration

Terms of appointment will be determined by Council and are ordinarily aligned to the local government election cycle. Independent members may be remunerated in accordance with Council policy.

13. Meetings, quorums and voting

Meetings will be held at least quarterly, with additional meetings scheduled as required to discharge statutory obligations. A quorum is determined under section 5.19 of the Act. Decisions of the ARIC are made by simple majority (section 7.1CA). Unless otherwise provided by law, meetings are conducted in accordance with the Act, regulations and the Shire's meeting procedures.

14. Shared ARICs

The Shire may enter into an agreement with one or more local governments to establish a shared ARIC in accordance with section 7.1CB of the Act and regulations 4 to 6 of the Audit Regulations, subject to Council approval.

15. Ethical standards and conflicts of interest

Members must comply with the Act (including Division 6 – Disclosure of Financial, Proximity and Impartiality Interests), the Shire's Code of Conduct, and maintain confidentiality of information. Independent members must declare any actual or perceived conflicts of interest.

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

Local Government Act 1995 (as amended by the Local Government Amendment Act 2024).

Local Government (Audit) Regulations 1996 (current consolidation from 1 January 2026).

Local Government (Financial Management) Regulations 1996 (current consolidation from 1 January 2026).

Review History

Date	Council Resolution	Description of review/amendment
18/03/2026	RES: 030326	V3.0 – ToR fully rewritten to include name change, implement 2026 ARIC reforms, including independence, expanded functions, shared ARICs, updated CAR and Reg. 17 processes.
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