



# Agenda

Audit And Risk Management Committee Meeting

Tuesday, 19 August 2025

Date:	Tuesday 19 August 2025
Time:	8:30am
Location:	Ashburton Hall, Ashburton Avenue, Paraburdoo
Distribution Date:	Thursday 14 August 2025



**Shire of Ashburton**  
**Audit And Risk Management Committee Meeting**

Please be advised Audit and Risk Management Committee Meeting will be held at 8:30am on Tuesday 19 August 2025 at Ashburton Hall, Ashburton Avenue, Paraburdoo.

A handwritten signature in black ink, appearing to read "Garry Hunt".

Garry Hunt PSM  
Chief Executive Officer (Temporary)  
14 August 2025

**Disclaimer**

*The recommendations contained in the agenda are subject to confirmation by Council. The Shire of Ashburton warns anyone who has an application lodged with Council must obtain, and should only rely on, written confirmation of the outcomes of the application following the Council meeting, and any conditions attaching to the decision made by Council in respect of the application. No responsibility whatsoever is implied, or accepted, by the Shire of Ashburton for any act, omission, statement, or intimation occurring during a Council meeting.*

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## 1 Declaration Of Opening

The Presiding Member declared the meeting open at [enter time](#).

### 1.1 Acknowledgement Of Country

As representatives of the Shire of Ashburton Council, we respectfully acknowledge the local Indigenous people, the traditional custodians of this land where we are meeting upon today and pay our respects to them and all their elders past, present and emerging.

## 2 Announcement Of Visitors

The Presiding Member welcomed members of the public to the gallery.

## 3 Attendance

### 3.1 Present

Elected Members:	SP A Smith Cr K White Cr R de Pledge Cr M Lynch Cr A Sullivan	Shire President  Deputy Shire President, Onslow Ward Ashburton-Tablelands Ward Tom Price Ward Paraburdoo Ward
Employees:	G Hunt PSM J Sangster C McGurk D Kennedy G Harris DW Weerasingha A Johnston R Marlborough J Rouse M Malinowska	Chief Executive Officer (Temporary) Deputy Chief Executive Officer Director Community Development Director Corporate Services Director Infrastructure Services Internal Auditor Manager Media and Communications A/Manager Governance Governance Officer Council Support Officer
Guests:	<a href="#">Enter names</a>	

Members of Public:	There were <a href="#">enter number</a> members of the public in attendance at the commencement of the meeting.
Members of media:	There were <a href="#">enter number</a> members of the media in attendance at the commencement of the meeting.

### **3.2 Apologies**

To be informed at the meeting.

### **3.3 Approved Leave Of Absence**

## **4 Declaration By Members**

### **4.1 Due Consideration By Elected Members To The Agenda**

Elected Members will be requested to note they have given due consideration to all matters contained in this agenda.

### **4.2 Declaration Of Interest**

A member who has an Impartiality, Proximity or Financial interest in any matter to be discussed at this meeting must disclose the nature of the interest either in a written notice, given to the Chief Executive Officer, prior to the meeting, or at the meeting immediately before the matter is discussed.

A member who makes a disclosure in respect to an interest must not preside at the part of the meeting which deals with the matter, or participate in, or be present during any discussion or decision-making process relative to the matter, unless the disclosing member is permitted to do so under Section 5.68 or Section 5.69 of the *Local Government Act 1995*.

The following declarations of interest are disclosed –

To be advised at the meeting.

## **5 Confirmation Of Minutes**

### **5.1 Confirmation Of Previous Minutes**

#### **5.1.1 Minutes Of The Audit And Risk Management Committee Meeting Held On 20 May 2025**

##### **Officer Recommendation**

That the Minutes of the Audit And Risk Management Committee Meeting held 20 May 2025 (Item 5.1.1 Attachment 1) be confirmed as a true and accurate record.

## 6 Public Agenda Items

### 6.1 2024/25 Interim Audit Management Letter Findings

<b>File Reference</b>	FM09
<b>Applicant or Proponent(s)</b>	Not Applicable
<b>Author</b>	D Kennedy, Director Corporate Services
<b>Authorising Officer</b>	G Hunt PSM, Chief Executive Officer (Temporary)
<b>Previous Meeting Reference</b>	Nil
<b>Disclosure(s) of interest</b>	Author – Nil
	Authorising Officer – Nil
<b>Attachments</b>	<ol style="list-style-type: none"><li>1. Interim Management Letter Part A - Financials - 30 June 2025</li><li>2. Interim Management Letter Part B IS - 30 June 2025</li></ol>

#### Report Purpose

The purpose of this report is to present to the Audit and Risk Management Committee the findings from the Interim Financial Audit and Information Systems Audit for 2024/25.

#### Background

Each financial year, the Shire undergoes an external audit conducted by the Office of the Auditor General (OAG). As part of this process, an interim audit is completed, concentrating primarily on the testing of internal controls and procedures. This interim audit is performed by RSM, the appointed auditor on behalf of the OAG. Notably, for the first time, the OAG has introduced Interim Management Letters as part of this audit cycle. These letters are designed to assist the Shire in proactively addressing any identified issues, providing an opportunity for any matters to be resolved before the final audit is undertaken.

#### Comments

##### Summary of Interim Financial Audit Findings: (Attachment 1)

The interim financial audit for the year ended 2025 identified two moderate-rated findings related to the Shire of Ashburton's procurement process. Overall, the audit was positive, with no significant issues impacting the audit opinion.

The findings included non-compliance with the procurement policy, where the Shire was unable to demonstrate adherence to the supplier order of priority in procurement activities. Additionally, one instance was noted where an invoice exceeded the approved purchase order value by 78%, without formal approval or documentation. Management has responded proactively, committing to policy revisions, enhanced controls, and system upgrades to address these issues.

Finance staff are now preparing draft 2024/25 financial statements to be submitted to auditors by 30 September 2025.

**Summary for Interim Information Systems Audit Findings: (Attachment 2)**

The Information Systems Audit for the Shire of Ashburton for the year ended 2025 has provided strong assurance regarding the robustness of the Shire's ICT General Controls. The audit identified only one finding, rated as Minor.

The finding related to insufficient formal governance documentation for backup management and disaster recovery (DR) tests. While backup and DR tests are being conducted, the audit recommended formalising governance documentation and establishing a process to document and track test results. Management has already implemented new SaaS-based backup and DR systems and has scheduled official production testing for August 2025, with a report and procedure to follow. This proactive approach demonstrates the Shire's dedication to continuous improvement and recovery preparedness.

Overall, the audit provides confidence in the Shire's ICT General Controls, with no significant or moderate findings identified. This outcome underscores the effectiveness of current systems and processes in supporting operational resilience and compliance.

**Consultation**

Executive Leadership Team  
Office of the Auditor General  
RSM Australia  
Finance Team  
ICT Team  
Procurement

**Strategic Community Plan**

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	4. Performance - We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
Strategic Outcome	4.2 Appropriate, sustainable, and transparent management of community funds
Strategy	4 Ensure financial transactions are accurate and timely.

**Council Policy**

[Council Policies » Shire of Ashburton](#)

Nil

**Financial Implications**

Current Financial Year

Nil

Future Financial Year(s)

Nil

**Legislative Implications**

The statutory implications associated with this item are contained within the *Local Government Act 1995*, section 7.8A – section 7.12AE and the *Local Government (Audit) Regulations 1996*

**Risk Management**

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
Compliance	2024/25 Annual Financial Report and Independent Audit Report are delayed or qualified	Unlikely (2)	Major (4)	Moderate (5-9)	Interim audit assists with final audit preparations and allows measures to be taken to address any findings identified.

Based on the inherent risk rating and risk treatments, the residual risk to the Shire is considered to be low.

**Voting Requirements**

Simple Majority

**Officer Recommendation**

That with respect to the 2024/25 Interim Audit findings, the Audit and Risk Management Committee recommends that Council:

1. Receives the Interim Financial Audit Findings as detailed in Attachment 1 and notes Management's comment; and
2. Receives the Interim Information Systems Audit Findings as detailed in Attachment 2 and notes Management's comment.



## 6.2 Strategic Risk Register

<b>File Reference</b>	CORP6
<b>Applicant or Proponent(s)</b>	Not Applicable
<b>Author</b>	J Bray, Manager Governance
<b>Authorising Officer</b>	D Kennedy, Director Corporate Services
<b>Previous Meeting Reference</b>	Ordinary Council Meeting – 18 February 2025 – Item 11/ARM.4 – 010/2025
<b>Disclosure(s) of interest</b>	Author – Nil
	Authorising Officer – Nil
<b>Attachments</b>	1. Draft Strategic Risk Register

### Report Purpose

The purpose of this report is to present the draft Strategic Risk Register to the Audit and Risk Management Committee for consideration.

Council is requested to endorse the Strategic Risk Register as detailed in Attachment 1.

### Background

At its meeting held 18 February 2025, Council endorsed the Risk Management Procedure – Strategic Risks (Procedure).

The Procedure details the Shire's identified strategic risks, and the roles and responsibilities of the Council, Audit and Risk Management Committee, Chief Executive Officer (CEO), and the Director Corporate Services in relation to the management and monitoring these risks.

The Procedure provides the likelihood, consequence, and vulnerability criteria for the assessment and determination of the risk ratings for the Shire's strategic risks.

### Comments

A draft Strategic Risk Register has been prepared based on the strategic risks identified within the Procedure. In consultation with the Executive Leadership Team (ELT) and Council, the strategic risks have each been assessed and assigned a rating that reflects its likelihood of occurrence, potential consequences, and how vulnerable the Shire would be if the risk materialised.

The Audit and Risk Management Committee is tasked with the oversight of the strategic risks, ensuring that mitigation strategies are in place and are effective. Furthermore, the Committee is responsible for advising the Council on any significant changes or emerging risks that may affect the Shire's strategic direction.

The CEO and the Director of Corporate Services play pivotal roles in implementing the risk management strategies. Their responsibilities include maintaining the Strategic Risk Register, conducting regular assessments, and reporting any significant changes to the Committee and Council. This ensures that all stakeholders are informed and prepared to respond proactively to potential risks.

Regular reporting on strategic risks, in accordance with the Procedure, will commence at the December 2025 Audit and Risk Management Committee meeting.

## Consultation

The draft Strategic Risk Register was presented to and discussed with the ELT on 29 May 2025 and Council during a briefing on 17 June 2025.

## Strategic Community Plan

Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	4. Performance - We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
Strategic Outcome	4.6 Visionary community leadership with sound, diligent and accountable governance
Strategy	3 Deliver best practice governance and risk management.

## Council Policy

[Council Policies » Shire of Ashburton](#)

Council Policy – Risk Management provides information and guidance regarding the management of risk to support the achievement of Shire's strategic and operational objectives, protect staff and assets, and ensure financial sustainability. The policy is supported by Risk Management Procedures and Risk Registers. Together, these documents form the Shire's Risk Management Framework.

## Financial Implications

Current Financial Year

Nil

Future Financial Year(s)

Nil

## Legislative Implications

In accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*, the local government is required to have appropriate and effective risk management systems and procedures in place, and these are to be reviewed once every three financial years.

## Risk Management

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
<b>Compliance</b>	Ineffective management of identified strategic risks.	Unlikely (2)	Moderate (3)	Moderate (5-9)	Endorsement of the Strategic Risk Register and implementation of regular reporting as detailed in the Strategic Risk Procedure.

Based on the inherent risk rating and risk treatments, the residual risk to the Shire is considered to be low.

**Voting Requirements**

Simple Majority

**Officer Recommendation**

That the Audit and Risk Management Committee recommends that Council endorses the Strategic Risk Register, as detailed in Attachment 1.

### 6.3 Internal Audit Schedule September - December 2025

<b>File Reference</b>	CM53
<b>Applicant or Proponent(s)</b>	Not Applicable
<b>Author</b>	D Weerasingha, Internal Auditor
<b>Authorising Officer</b>	G Hunt PSM, Chief Executive Officer (Temporary)
<b>Previous Meeting Reference</b>	Nil
<b>Disclosure(s) of interest</b>	Author – Nil
	Authorising Officer – Nil
<b>Attachments</b>	Nil

#### Report Purpose

A comprehensive Strategic Internal Audit Plan 2025–2029 is currently under development, in consultation with the Executive Leadership Team (ELT) and key stakeholders. The draft plan has been structured to ensure a robust, risk-based approach to internal audit planning, in accordance with the International Professional Practices Framework (IPPF) and the requirements of regulation 17 of the *Local Government (Audit) Regulations 1996*.

Due to the time required for final validation, stakeholder endorsement, and resource alignment of the Strategic Internal Audit Plan, an interim schedule is proposed to maintain momentum and fulfil audit obligations in the 2025 financial year.

#### Background

An Internal Auditor was appointed in March 2025. At the time of appointment, there was no current Strategic Internal Audit Plan in place to guide audit activity for the 2025 financial year. A new Strategic Internal Audit Plan for the period 2025–2029 has since been developed in consultation with the ELT and is currently undergoing final validation and endorsement.

#### Comments

To maintain audit continuity and uphold internal control oversight during the interim period, the following internal audits are scheduled to progress between September and December 2025:

1. Corporate Credit Cards
2. Contract Management

These audits have been prioritised based on risk assessments and discussions with relevant stakeholders and are aligned with the Shire's strategic and operational risk profile.

#### Consultation

The ELT have been consulted on the internal audit schedule. External auditors have been consulted identifying extent of their work to avoid possible duplication of assurance efforts.

Below is the Audit and Risk Management Committee (ARMC) endorsed consultation framework for Internal Audit Department.

Output	IIA Standard	Council	Audit and Risk Management Committee	CEO/ ELT	Audit Sponsor/ Director	Internal Audit
Internal Audit Charter	1000	Adopt	Review / Recommend	Consult / Inform	Inform	Develop
Strategic Internal Audit Plan	2010	Adopt	Review / Recommend	Consult / Inform	Consult / Inform	Develop
Annual Internal Audit Service Delivery Plan	2010	Adopt	Review / Recommend	Consult / Inform	Consult / Inform	Develop
Internal Audit Manual	2040	Adopt	Review / Recommend	Consult / Inform	Inform	Develop
Quality Assurance and Improvement Plan	1300, 1320	Adopt	Review / Recommend	Consult / Inform	N/A	Develop
Annual Internal Audit Status Report	2060	Receive	Review / Recommend	Inform	Inform	Develop / Approve
<b>Audit Engagements</b>						
Planning Memorandum	2200	N/A	N/A	Consult/ Approve	Consult	Develop / Approve
Draft Report	2400	N/A	N/A	N/A	Consult	Develop
Final Report	2400, 2440	Receive	Review / Recommend	Inform	Inform	Develop / Approve

## Strategic Community Plan

### Shire of Ashburton Strategic Community Plan 2022-2032

Strategic Objective	4. Performance - We will lead the organisation, and create the culture, to deliver demonstrated performance excellence to the community.
Strategic Outcome	4.6 Visionary community leadership with sound, diligent and accountable governance
Strategy	3 Deliver best practice governance and risk management.

## Council Policy

Nil

## Financial Implications

### Current Financial Year

Nil

### Future Financial Year(s)

Nil

### Legislative Implications

In accordance with regulation 17 of the *Local Government (Audit) Regulations 1996*, the CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:

- Risk management,
- Internal control, and
- Legislative compliance.

The CEO is to report to the Audit and Risk Management Committee the results of each review.

### Risk Management

Risk has been assessed against the Shire of Ashburton Risk Management Framework.

Theme	Risk	Likelihood	Consequence	Inherent Risk Rating	Risk Treatment
<b>Compliance</b>	Increased exposure to fraud, inadequate risk management, non-compliance with legislation, inefficient use of resources, limited accountability and transparency, reputational damage.	Almost Certain (5)	Catastrophic (5)	Extreme (17-25)	<p>Establish an effective internal audit function in compliance with the International Professional Practice Framework and regulatory requirements.</p> <p>Adopt Internal Audit Charter and Strategic Internal Audit Plan and implement.</p> <p>Establish and operate an effective Risk Management Framework <i>ISO31000</i>.</p>

Based on the inherent risk rating and risk treatments, the residual risk to the Shire is considered to be low.

### Voting Requirements

Simple Majority

### Officer Recommendation

That the Audit and Risk Management Committee recommends that Council support the proposed interim internal audit schedule for the period September 2025 to December 2025, comprising of the following audit topics:

- Corporate Credit Cards; and
- Contract Management.

## **7 New Business Of An Urgent Nature Introduced By Council Decision**

## 8 Confidential Agenda Items

### 8.1 Audit Log Status Update

<b>File Reference</b>	CM52
<b>Applicant or Proponent(s)</b>	Not Applicable
<b>Author</b>	D Weerasingha, Internal Auditor
<b>Authorising Officer</b>	G Hunt PSM, Chief Executive Officer (Temporary)
<b>Previous Meeting Reference</b>	Audit and Risk Management Committee 20 May 2025 - Item 6.1
<b>Disclosure(s) of interest</b>	Author – Nil
	Authorising Officer – Nil
<b>Attachments</b>	<ol style="list-style-type: none"> <li>1. Closed Audit Findings</li> <li>2. Open Audit Findings</li> <li>3. To be closed Audit Findings</li> <li>4. Residual Risk Memo to ARMC Chair</li> </ol>

#### ***Reason for Confidentiality***

<b>Section under the Act</b>	<i>This matter is to be considered behind closed doors pursuant to s.5.23(2)(c) of the Local Government Act 1995 as the subject matter relates to:</i>
<b>Sub-clause and Reason:</b>	<i>“s.5.23(2)(c) a contract entered into, or which may be entered into, by the local government and which relates to a matter to be discussed at the meeting.”</i>

#### **Report Purpose**

The purpose of this report is to provide Audit and Risk Management Committee (ARMC) oversight of the implementation of actions resulting from internal audits.

Endorse the closure of two validated internal audit actions as detailed in Attachment 1 and receive the updated Internal Audit Log – Outstanding Actions as provided in Attachment 2.

Note the residual risk levels exceeding the Council's established risk appetite and note the concerns regarding the relevancy of actions proposed for closure under Council Decision 071/2025, as outlined in the body of the report and explanatory memorandum issued to the ARMC Chairperson on 5 June 2025 (Refer to Attachments 3 and 4).

#### **Voting Requirements**

Simple Majority



## 8.2 Wittenoom Claims Update

<b>File Reference</b>	LS34
<b>Applicant or Proponent(s)</b>	Not Applicable
<b>Author</b>	D Kennedy, Director Corporate Services
<b>Authorising Officer</b>	G Hunt PSM, Chief Executive Officer (Temporary)
<b>Previous Meeting Reference</b>	Audit and Risk Committee Meeting – 18 February 2025 2024 – Item 8.1
<b>Disclosure(s) of interest</b>	Author – Nil
	Authorising Officer – Nil
<b>Attachments</b>	Nil

### ***Reason for Confidentiality***

<b>Section under the Act</b>	<i>This matter is to be considered behind closed doors pursuant to s.5.23(2)(b) of the Local Government Act 1995 as the subject matter relates to:</i>
<b>Sub-clause and Reason:</b>	<i>“s.5.23(2)(b) the personal affairs of any person.”</i>

### **Report Purpose**

This item provides a summary of open, resolved, and new claims since the last Wittenoom claims update which was provided to the Audit and Risk Management Committee (ARMC) on 18 February 2025.

The ARMC is requested to receive the Wittenoom claims update.

### **Voting Requirements**

Simple Majority

## **9 Next Meeting**

The next Audit And Risk Management Committee will be held at 8:30am on Tuesday 9 December 2025 at Council Chambers, Onslow Shire Complex, Second Avenue, Onslow.

## **10 Closure Of Meeting**

There being no further business, the Presiding Member closed the meeting at [enter time](#).