



Attachments

Audit And Risk Management Committee Meeting

Tuesday, 19 August 2025

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Agenda Item 5.1.1 - Attachment 1

Minutes of the Audit And Risk Management Committee
Meeting held 20 May 2025



Published Minutes

Audit And Risk Management Committee Meeting

Tuesday, 20 May 2025

Date:	Tuesday 20 May 2025
Time:	8:30am
Location:	Council Chambers, Onslow Shire Complex, Second Avenue, Onslow
Distribution Date:	Friday 23 May 2025



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

The Chief Executive Officer recommends the endorsement of these minutes at the next Audit And Risk Management Committee Meeting.

Dr Garry Hunt PSM
Chief Executive Officer (Temporary)
23 May 2025

These minutes were confirmed by Council as a true and accurate record of proceedings at the Audit And Risk Management Committee Meeting held on Tuesday, 20 May 2025.

Presiding Member _____

Date _____

Disclaimer

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 8:30am.

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

Nil

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
Observers:	Cr M Gallanagh Cr L Rumble JP Cr B Healy	Pannawonica Ward Paraburdoo Ward Tom Price Ward
Employees:	Dr G Hunt PSM D Kennedy D Weerasingha J Bray	Chief Executive Officer (Temporary) Director Corporate Services Internal Auditor Manager Governance
Guests:	Nil	
Members of Public:	There were no members of the public in attendance at the commencement of the meeting.	
Members of media:	There were no members of the media in attendance at the commencement of the meeting.	

3.2 Apologies

Cr de Pledge Ashburton-Tablelands Ward

3.3 Approved Leave Of Absence

Nil

4 Declaration By Members**4.1 Due Consideration By Elected Members To The Agenda**

Elected Members noted 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 –

Nil

5 Confirmation Of Minutes

5.1 Confirmation Of Previous Minutes

5.1.1 Minutes Of The Audit And Risk Management Committee Meeting Held On 18 February 2025

Committee Decision

Moved Cr M Lynch

Seconded Cr K White

That the Minutes of the Audit And Risk Management Committee Meeting held 18 February 2025 (Item 5.1.1 Attachment 1) be confirmed as a true and accurate record.

For: A Smith, K White, M Lynch and A Sullivan

Against: Nil

Carried 4/0

6 Public Agenda Items

6.1 Audit Log Status Update

File Reference	CM52
Applicant or Proponent(s)	Not Applicable
Author	D Weerasingha, Internal Auditor
Authorising Officer	Dr G Hunt PSM, Chief Executive Officer (Temporary)
Previous Meeting Reference	Audit and Risk Management Committee 18 February 2025 - Item 6.1
Disclosure(s) of interest	Author – Nil
	Authorising Officer – Nil
Attachments	<ol style="list-style-type: none"> 1. Validation of Internal Audit Actions Report 30 April 2025 2. Internal Audit Log - Outstanding Actions as at 30 April 2025 3. Internal Audit Log - Validated Actions as at 30 April 2025

Report Purpose

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

The Audit and Risk Management Committee is requested to close four validated internal audit actions (refer to Attachments 1 and 3) and receive the Internal Audit Log – Outstanding Actions (refer to Attachment 2).

Background

The Chief Executive Officer (CEO) is required to ensure adequate systems and processes are established for the effective management and control of the Shire per local government regulations.

Internal audits and external reviews are examples of methods Audit and Risk Management Committee may use to ensure sound management of the Shire is occurring.

Following the finalisation of an internal audit and/or external review, recommendations are included in the Audit Log to ensure progress is monitored and recorded.

Comments

This report covers the period 1 February 2025 to 30 April 2025.

During this period, evidence against four audit items was submitted for verification by Ms Michelle Shafizadeh, Director, Moore Australia (WA) Pty Ltd.

All four items have been verified as closed (refer to Attachment 1- Validation of Internal Audit Actions Moore Australia).

A summary of the progress on the implementation of internal audit recommendations is provided in the following table. There are 80 audit findings that are open as of 30 April 2025.

All Payroll/HR items (eight) are now closed.

Audit And Risk Management Committee Meeting Minutes

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The Internal Auditor is working with managers and the Executive Leadership Team (ELT) and service providers to close the remaining open items, prioritising as per risk ratings.

Internal Audit Topic	Not Started		In Progress		Validated		Total Open		Total Items
	30 Apr	31 Jan	30 Apr	31 Jan	30 Apr	31 Jan	30 Apr	31 Jan	
Review of 2019 FMR	0	0	1	1	3	3	1	1	4
Procurement [21]	0	0	0	3	23	20	0	3	23
Risk Management	3	3	8	8	8	8	11	11	19
Grants Management	0	0	10	10	1	1	10	10	11
Records Management [21]	2	2	0	0	13	13	2	2	15
Records Management [22]	2	2	5	5	25	25	7	7	32
Business Continuity, Disaster Recovery and Incident Management	3	3	16	16	7	7	19	19	26
Contract Management	0	0	6	6	11	11	6	6	17
Fraud and Corruption	0	0	9	9	18	18	9	9	27
Payroll & HR**	0	0	0	0	8	8	0	0	8
Regulation 17-2023	1	1	8	9*	20	19	9	10	29
Procurement [24]	1	1	3	3*	3	3	4	4	7
FMR 2024	0	0	2	2*	7	7	2	2	9
Totals	12	12	68	58	147	143	80	84	227

*Numbers have been restated for immaterial inaccuracies on previous report.

**Payroll & HR will be removed from above table starting from the next report.

Note 1 - Above table has been adjusted with four audit findings that were validated as closed in April 2025.

Note 2 - Due to the nature of Management Letter findings from the external audit conducted by the Office of the Auditor General, these items for Finance and IT General Controls have been removed from the Internal Audit Log. These are updated annually following each external audit.

Please refer to Attachment 3 for full details of the closed items.

Consultation

The validation has been carried out by Moore Australia and the report is attached as Attachment 1 which address the approach including consultation. Below is the consultation framework endorsed by ARMC for internal audit department.

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20 May 2025

Output	IIA Standard (2017 Version)	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
Audit Engagements						
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 ImplicationsCurrent Financial Year

Nil

Audit And Risk Management Committee Meeting Minutes

20 May 2025

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
Compliance	Compliance failures if areas identified for improvement are not addressed.	Possible (3)	Major (4)	High (10-16)	Implement process improvements as a result of internal audits/external reviews and provide regular progress reporting to the Audit and Risk Management Committee.

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

Voting Requirements

Simple Majority

Officer Recommendation

The Audit and Risk Management Committee recommends that Council:

1. Closes the validated four audit findings, as detailed in Attachments 1 and 3.
2. Receives the Internal Audit Log – Outstanding Actions report, as detailed in Attachment 2.

Audit And Risk Management Committee Meeting Minutes

20 May 2025

Committee Decision**Moved** Cr M Lynch**Seconded** Cr K White**The Audit and Risk Management Committee recommends that Council:**

- 1. Closes the validated four audit findings, as detailed in Attachments 1 and 3.**
- 2. Receives the Internal Audit Log – Outstanding Actions report, as detailed in Attachment 2.**
- 3. Closes all items for the period prior to the 2023/2024 financial year.**

For: A Smith, K White, M Lynch and A Sullivan**Against:** Nil**Carried 4/0****Reason for change:**

To close outstanding internal audit items prior to 2023/2024 financial year.

7 Confidential Agenda Items

Nil

8 Next Meeting

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

9 Closure Of Meeting

There being no further business, the Presiding Member closed the meeting at 8:37am.



Agenda Item 6.1 - Attachment 1

Interim Management Letter Part A - Financials - 30 June
2025

ATTACHMENT A

SHIRE OF ASHBURTON

PERIOD OF AUDIT: YEAR ENDED 2025

FINDINGS IDENTIFIED DURING THE INTERIM FINANCIAL AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Procurement process	No		✓		

Key to ratings

The Ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Significant - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

Moderate - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Minor - Those findings that are not of primary concern but still warrant action being taken.

ATTACHMENT A**SHIRE OF ASHBURTON****PERIOD OF AUDIT: YEAR ENDED 2025****FINDINGS IDENTIFIED DURING THE INTERIM FINANCIAL AUDIT****1. Procurement process****Finding****a) Non-compliance with procurement policy**

Shire's procurement policy requires the Shire to consider and apply the supplier order of priority when selecting vendors. However, in our sample of 20 procurement transactions, the Shire was unable to demonstrate how this requirement was considered or applied in the selection of suppliers for both Requests for Tender (RFTs) and Requests for Quotation (RFQs).

For example, purchases valued between \$50,000 and \$99,999 require at least three quotations, including at least one written quotation from a suitable supplier, in accordance with the Supplier Order of Priority outlined in clause 4.2.2 of the Purchasing and Procurement Policy. The Shire did not provide evidence showing how this requirement was met in the tested samples.

b) Invoice amount exceeding PO amount

During our testing of the procurement process, we identified one instance out of a sample of twenty tested (5%)—where the vendor invoice amount exceeded the approved purchase order value by 78% (purchase order: \$1,900; invoice: \$3,390). No formal approval or supporting evidence was recorded in the Synergy system for this variance.

Although this sample was dated August 2024, we acknowledge that the Shire has implemented a policy effective January 2025, requiring that any variance exceeding \$5,000 or 10% (whichever is greater) of the original purchase order value must be formally authorised and documented in Synergy.

Rating: Moderate**Implication:**

- The Shire's inability to demonstrate how the supplier order of priority was considered and applied for RFTs and RFQs suggests non-compliance with its own procurement policy and may result in not getting the best value for money.
- The instance identified represents a breach of the Shire's accounts payable policy under section 8.2.2 and indicates a potential control weakness in the procurement process.

Recommendation:

We recommend management considers the following:

- Implement procedures to ensure that the application of the supplier order of priority, as outlined in the procurement policy, is clearly documented and retained for all procurement activities, including Requests for Tender (RFTs) and Requests for Quotation (RFQs). This will support transparency, demonstrate compliance with internal policy, and provide an audit trail for future reference.
- Review and reinforce controls around the purchase order process to ensure that invoice amounts do not exceed approved purchase order values without appropriate review and authorisation.
- Provide refresher training to relevant staff on procurement policy requirements.

ATTACHMENT A

SHIRE OF ASHBURTON

PERIOD OF AUDIT: YEAR ENDED 2025

FINDINGS IDENTIFIED DURING THE INTERIM FINANCIAL AUDIT

Management comment*A. Non-Compliance with Procurement Policy*

The Shire of Ashburton's current Procurement Policy, is aligned to the Purchasing Policy Template provided by WALGA and used by many Western Australian Local Governments.

WALGA added the Supplier Order of Priority guidance into the template in 2020 to assist those involved with local government procurement.

WALGA were contacted on 12 June 2025, (Lyn Fogg) who confirmed it was not the intent that the Supplier Order of Priority become an auditable component of the Procurement Policy and that this had not been raised by any other local government audit since 2020.

The Shire would prefer to retain the Order of Priority in the Procurement Policy for operational efficiency and will change the wording in the Procurement Policy so that it is clear that the Order of Priority is a guideline/checklist/reminder only. This will require Council endorsement.

B. Invoice Amount Exceeding PO Amount.

The Shire's current Finance system does not allow a Purchase Order to be amended and re-authorised via an appropriate workflow.

Therefore, the capture of information relating to invoices exceeding the Purchase Order Value is currently a manual process. Strong manual controls are in place that require staff to provide a memo to evidence why a Purchase Order has been exceeded, however a materiality limit of \$5,000 or 10% whichever is greater has been applied to this control currently.

The Shire will remove the reference to the 10% immediately which has caused some confusion.

The Shire is planning to update its ERP system in the next 12 – 18 months, with the core modules of requisitions and purchase orders expected to be in place by 1 July 2026.

Procurement refresher training is already in place, and strong controls are in place in the accounts payable area to ensure that material variances to purchase order value are appropriately evidenced and authorised.

Responsible persons: Senior Procurement Officer Manager Finance Director Corporate Services

Completion date: 30 September 2025



Agenda Item 6.1 - Attachment 2

Interim Management Letter Part B IS - 30 June 2025

ATTACHMENT B**SHIRE OF ASHBURTON****PERIOD OF AUDIT: YEAR ENDED 2025****FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT**

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Insufficient formal backup governance and documentation for backup and disaster recovery tests	No			✓	No

Key to ratings

The ratings in this management letter are based on the audit team's assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Significant - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

Moderate - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Minor - Those findings that are not of primary concern but still warrant action being taken.

ATTACHMENT B**SHIRE OF ASHBURTON****PERIOD OF AUDIT: YEAR ENDED 2025****FINDINGS IDENTIFIED DURING THE INFORMATION SYSTEMS AUDIT****1. Insufficient formal backup governance and documentation for backup and disaster recovery tests****Finding**

We identified that there is no formal governance documentation in place for Backup Management. Management advised that they see no need for documentation as the backup system is cloud-based and the Shire aligns to the State Government's data retention guidelines for backups.

We identified that Disaster Recovery (DR) and backup tests are being performed and sighted limited evidence confirming these activities as there is no formal process in place to record and track the results.

Rating: Minor**Implication**

The lack of backup governance documentation not only places high reliance on the individuals familiar with the controls but also may result in backup jobs being incorrectly configured or misaligned to business expectations.

Failure to record a report post a DR or backup restoration test may result in the inability for key stakeholders to identify the scope, success/failure, issues identified and improvements that may need to be implemented. In addition to this, remedial actions may go unresolved due to a lack of definition and subsequent tracking.

Recommendation

Management should formalise:

- governance documentation for backup management, establishing clear policies and procedures aligned.
- process of documenting and tracking disaster recovery and backup test results to ensure better monitoring, compliance, and continuous improvement in recovery preparedness.

Management comment

The Shire implemented new SaaS based backup and DR systems in November 2024, whilst testing of these systems as noted above has transpired, the official production DR failover / Backup restoration testing is scheduled for August 2025. Upon completion of these tests a report with a procedure will be created.

Responsible person:

Manager Information Communication and Technology

Completion date:

12 June 2025



Agenda Item 6.2 - Attachment 1

Draft Strategic Risk Register

Shire of Ashburton Strategic Risk Register

							Current Risk Level					Target Risk Level					
Risk No	Strategic Risk	Causes/Triggers	Consequences	Are there any Strategies Currently in place that may Reduce our Vulnerability to and/or Consequences of this Risk?	Strategies currently in place that may reduce our Vulnerability to and/or Consequences of this Risk?	How does this Strategy Reduce our Vulnerability to and/or Consequences of this Risk?	Likelihood	Vulnerability		Most Likely Consequence (based on level of Vulnerability)	Risk Level	Is this Risk Acceptable at its Current Level?	Are additional Strategies Required to Reduce (or Further Reduce) our Vulnerability to and/or Consequences of this Risk?	Likelihood	Vulnerability	Most Likely Consequence	Risk Level
								Assessment	Justification/ Reasoning								
1	Speed and/or extent of urban/commercial growth within Ashburton LGA occurs at different rate to that planned/ predicted	1. Increasing investment by private sector within the LGA 2. Lack of planning by the Shire 3. Lack of planning by the State 4. Lack of availability of private sector investment in infrastructure 5. Retirement of Fokker 100 fleet servicing Onslow Airport	1. Services may not be aligned to the community needs 2. May have a negative impact on Shire's reputation as services don't match the need 3. Shire infrastructure staffing levels may not be at appropriate levels for the increased services required 4. Essential services such as power, roads, drainage, sewerage & water are inadequate 5. Loss of service or reduction in the capacity of aircraft able to service Onslow	Yes	Onslow Desalination Plant - Water Corp Stakeholder Engagement - Airport Runway Asset Management Plans Stakeholder engagement - commercial entities Engagement with State Government Tom Price & Paraburdoo Hospital Renewal Advocacy Modelling of urban commercial growth to assist in the development of Asset Management Plans	Desalination plant has commenced construction to address the critical water shortage in Onslow. Expected completion date 2026 Significant stakeholder engagement with private enterprise, State & Federal government continues to find a solution to the looming retirement of the Fokker 100 fleet Shire maintains asset management plans for all critical asset classes. Roads has been identified as requiring additional investment based on comprehensive condition assessment, and further work is being done on ageing drainage infrastructure and flood modelling in Onslow and Tom Price Understanding the amount and/or nature of investment from the commercial sector will provide the Shire with the opportunity to develop forward plans of action Constant engagement with the State Government will allow for the Shire to seek grants and/or State Government investment into the Shire Advocacy successfully gained commitment from State Government and Rio Tinto for renewal scheduled to occur in the coming years Modelling (and sensitivity analysis) of development rates will allow for more appropriate planning of assets	Imminent	Very Vulnerable	Investment in Onslow is accelerating at a rate that means that, if not properly planned and coordinated, Shire services and/or supporting State Government services may not keep pace with the speed of this development. Tom Price & Paraburdoo have ageing critical infrastructure that needs advocacy to ensure renewal that meets the expectations of the community	Significant	Extreme	No	Yes	Emerging	Moderately Vulnerable	Moderate	High
Additional Strategies		How does this Strategy Reduce our Vulnerability to and/or Consequences of this Risk?															
Onslow Desalination Plant - Water Corp		Desalination plant has commenced construction to address the critical water shortage in Onslow. Expected completion date 2026.															
Stakeholder Engagement - Airport Runway		Significant stakeholder engagement with private enterprise, state & federal government continues to find a solution to the looming retirement of the Fokker 100 fleet.															
Asset Management Plans		Shire maintains asset management plans for all critical asset classes. Roads has been identified as requiring additional investment based on comprehensive condition assessment, and further work is being done on ageing drainage infrastructure and flood modelling in Onslow and Tom Price															

Shire of Ashburton Strategic Risk Register

							Current Risk Level					Target Risk Level					
Risk No	Strategic Risk	Causes/Triggers	Consequences	Are there any Strategies Currently in place that may Reduce our Vulnerability to and/or Consequences of this Risk?	Strategies currently in place that may reduce our Vulnerability to and/or Consequences of this Risk?	How does this Strategy Reduce our Vulnerability to and/or Consequences of this Risk?	Likelihood	Vulnerability		Most Likely Consequence (based on level of Vulnerability)	Risk Level	Is this Risk Acceptable at its Current Level?	Are additional Strategies Required to Reduce (or Further Reduce) our Vulnerability to and/or Consequences of this Risk?	Likelihood	Vulnerability	Most Likely Consequence	Risk Level
								Assessment	Justification/ Reasoning								
2	Shire unable to adapt to a changing technological and innovation environment to provide services that are comparable or exceed those provided by other local governments.	1. Using no longer fit for purpose solutions.	1. Poor service to the community	Yes	Cloud First Strategy	Moving to the "Cloud" will provide benefits of scalability, efficiency, cost containment, flexibility, availability and resiliency not currently available due to mix of on premise and cloud solutions.	Imminent	Very Vulnerable	The Shire has recognised the technology challenges it currently faces and is making investment decisions to address these challenges. That said, with the rapid pace of change in technology and the significant time taken to upgrade technology within local government, there is a very real possibility that keeping pace with technology will always be a challenge for the Shire	Significant	High	No	Yes	Distant	Slightly Vulnerable	Moderate	Medium
		2. Inability to maintain multiple best of breed systems.	2. Community isolation		ICT Strategy	Blueprint for Shire ICT over a 4 year period with a focus on digitisation.											
		3. Inability to integrate systems to generate operating efficiencies	3. Inefficient services (high costs and inflexible)		ICT Systems Strategy	Detailed business requirements strategy aimed at delivering the Shire an Enterprise Resource Planning system (ERP) that is cloud based, fully integrated (no best of breed) with native document management capture.											
		4. Lack of skilled resources required to maintain technology and innovation in a remote area.	4. Negative impact on Shire reputation		ICT Environment Audit 2024 - Avantgarde	Prioritised list of actions to continually improve the robustness of the Shire's ICT operating environment including Cyber Security.											
		5. Outdated systems create a cyber security threat	5. Increased costs														
			6. Increased staff turnover														
			7. Low staff morale.														
			8. Increased cyber security risk.														
			9.Increased risk of data breaches														
			10. Difficulty attracting quality staff														
Additional Strategies		How does this Strategy Reduce our Vulnerability to and/or Consequences of this Risk?															
Cloud First Strategy		Moving to the "Cloud" will provide benefits of scalability, efficiency, cost containment, flexibility, availability and resiliency not currently available due to mix of on premise and cloud solutions.															
ICT Strategy		Blueprint for Shire ICT over a 4 year period with a focus on digitisation.															
ICT Systems Strategy		Detailed business requirements strategy aimed at delivering the Shire an Enterprise Resource Planning system (ERP) that is cloud based, fully integrated (no best of breed) with native document management capture.															
ICT Environment Audit 2024 - Avantgarde		Prioritised list of actions to continually improve the robustness of the Shire's ICT operating environment including Cyber Security.															
ICT Systems Review Jan 2025, and ERP Business Case (KPMG)		Market analysis completed of local government ERP systems suitable to meet the strategy of a fully integrated ERP system.															
3	State Government continues to delay and/or fails to fully remediate the Wittenoom Asbestos Management Area (Including Roebourne - Wittenoom Road)	1. Unclear responsibilities for cleanup	1.Significant expenditure for maintenance of Roebourne - Wittenoom Road (estimated in excess of \$40M over 10 years). This is funds that are being diverted from other Shire priority projects.	Yes	1. Resolution of Council to hand back the responsibility of Roebourne - Wittenoom Rd to the State	Engagement at multiple levels of State Government required to either obtain a funding commitment to reduce the impact on ratepayers or have State Government assume responsibility.	Imminent	Very Vulnerable	Shire is currently exposed to financial risk as a result of the road condition deteriorating over the past decade and the significant additional cost associated with maintenance due to the risk of asbestos exposure. Mesothelioma claims from historical exposure are expected to continue for atleast the next 20 years.	Significant	Extreme	No	Yes	Emerging	Moderately Vulnerable	Moderate	High
		2. Lack of prioritisation of the issue by State/Federal Government due to the remoteness of the area	2.Ongoing liability for compensation for historical exposure		2. Advocacy to the Wittenoom Steering Committee, run by DPLH	Believed to have been recently reactivated to address outstanding remediation concerns surrounding Wittenoom											
		3. Differing interpretation of the Shire and State/Federal Government as to what constitutes remediation	3.Potential exposure to Ashburton Shire staff during maintenance works		3. Ongoing relationship management with other Wittenoom Mesothelioma Defendants by Shire Wittenoom Lawyers - HWLE	Healthy relationship exists between defendants and there is established precedent regarding % of liability depending on exposure period.											
		4. Cautious approach to the level of asbestos contamination leading to increased maintenance costs	4. Liability claims from the public due to the condition of the road being attributable to accidents/damage.														
Additional Strategies		How does this Strategy Reduce our Vulnerability to and/or Consequences of this Risk?															
Investigate options for the potential closure of Roebourne - Wittenoom Rd to the public		Reduces the risk of liability claims from accidents attributed to the condition of the road															

Shire of Ashburton Strategic Risk Register

							Current Risk Level					Target Risk Level					
Risk No	Strategic Risk	Causes/Triggers	Consequences	Are there any Strategies Currently in place that may Reduce our Vulnerability to and/or Consequences of this Risk?	Strategies currently in place that may reduce our Vulnerability to and/or Consequences of this Risk?	How does this Strategy Reduce our Vulnerability to and/or Consequences of this Risk?	Likelihood	Vulnerability		Most Likely Consequence (based on level of Vulnerability)	Risk Level	Is this Risk Acceptable at its Current Level?	Are additional Strategies Required to Reduce (or Further Reduce) our Vulnerability to and/or Consequences of this Risk?	Likelihood	Vulnerability	Most Likely Consequence	Risk Level
								Assessment	Justification/ Reasoning								
4	Shire unable to recruit, train and/or retain workforce to support service expectations of community and operate effectively	1. Transient population 2. Skills discrepancies between available workers and some roles within the Shire 3. Significant competition from commercial entities in the Shire 4. Isolation 5. Additional cost of living pressures in the Pilbara 6. Outdated technology, systems and processes	1. Unable to fill crucial roles within the Shire 2. Additional costs for outsourcing critical roles 3. Increased likelihood of multiple Enterprise Risks 4. Continual loss of corporate knowledge and business inefficiency. 5. Annual turnover rates in excess of 30%.	Yes	1. Enterprise Bargaining agreement benchmarked to other local governments 2. Staff Housing Strategy 3. ICT Strategy	1. Ensures that the Shire's value proposition to staff remains competitive. 2. Continued focus on improving the amenity of houses, and reviewing focus to include key worker accommodation due to the housing shortage and unaffordability of rentals. 3. Looking to address the outdated technology, systems and processes currently in place. May also free up staff accommodation for key workers.	Imminent	Very Vulnerable	This is a constant challenge for remote LGAs and one that is difficult to take proactive action to solve. To that end, despite the level of the risk, it is outside the Shire's influence to address this situation. Therefore, the Shire can only respond to staffing issues as they emerge.	Moderate	High	Yes	Yes	Distant	Moderately Vulnerable	Moderate	Medium
5	Increased number and/or severity of major disaster events and/or weather extremes	1. Climate change 2. Older infrastructure constructed to lesser standards/regulations	1. Additional costs above budget forecast 2. May have a negative impact on Shire's reputation if overwhelmed by remediation requirements	Yes	Coastal hazard risk management and adaption planning. Disaster Recovery Funding Arrangements (DFES) Insurance Portfolio Reserve Accounts Local Emergency Management Arrangements Community Emergency Service Coordinator	Regular reviews of CHRMAP to monitor impacts of coastal hazards such as erosion and inundation in the Onslow area. If a disaster event is declared the Shire is eligible to claim expenditure for emergency assistance and damage to essential public assets above \$240,000. The Shire maintains insurance coverage with Local Government Insurance Service (LGIS) for eligible plant, property, equipment and business continuity. This is reviewed annually. The Shire maintains a Financial Risk Reserve with a Balance of ~\$6M and other Reserves that could be repurposed should a major disaster eventuate. Meet quarterly in Onslow, Pannawonica and Paraburdoo/Tom Price to plan, monitor and improve emergency preparedness. New position added to the Workforce structure in 2025 to specifically focus on emergency preparedness and response.	Emerging	Moderately Vulnerable	Given the size of the Shire and the fact that it incorporates coastal and inland population centres, the vulnerability profiles across the Shire will differ. That said, recent weather events that impacted Tom Price, have demonstrated that the vulnerability is not just limited to the Onslow area.	Moderate	Medium	Yes	No	Emerging	Moderately Vulnerable	Moderate	Medium
6	Changes in demographics and/or health profile and/or community expectations across the Shire occur at different rate to that planned/ predicted	1. Sustained downturn in the resources sector within the Shire 2. Sustained growth in the resources sector within the Shire 3. Growth in development attracts differing demographic sectors to the Shire (e.g. sea change/tree change) 4. Greater use of technology at mining companies may change their staffing requirements	1. Increases to services required (for ageing population mostly) 2. Planning impacts (housing suitability) 3. Socio economic impacts 4. Decrease in number of volunteers and community groups	Yes	Monitoring of ABS census and other data for the Shire Stakeholder engagement Stakeholder Social License	Monitoring of ABS census and other data ensures that trends that indicate changes are identified early. Maintaining strong relationships with major employers with each community. Negotiating positive outcomes for the community as major developments arise.	Emerging	Moderately Vulnerable	Given the current commercial activities within the Shire, any loss of a major employer and/or any significant job losses in these companies, may impact of the demographic mix within each community.	Moderate	Medium	Yes	No	Emerging	Moderately Vulnerable	Moderate	Medium

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7	Global/National incident impacts on investments/ businesses in the Shire LGA (e.g. pandemic, financial downturn etc)	1. High cost of living in the Pilbara 2. Economy of the Shire linked to commodity prices and the global economy	1. May impact rates income 2. May force closures of businesses in the Shire 3. May require an increase of community/social services provided by Shire 4. May impact on the ability of State/Federal Government to provide funding (e.g. grants)	Yes	Shire Reserves Long Term Financial Plan Borrowing Strategy Industry Diversification	Maintenance of financial reserves reduce the impacts of such events and/or provide the Shire with time to adjust to impacts. Robust prioritisation of projects and the impact on ongoing operational costs. Minimal debt reduces fixed repayment commitments. Shire is fortunate to have diversification of commodities and multinational companies as major stakeholders	Distant	Slightly Vulnerable	Given the current commercial activities within the Shire, any loss of a major employer and/or any significant job losses in these companies, may impact on the revenue currently collected by the Shire.	Minor	Low	Yes	No	Distant	Slightly Vulnerable	Minor	Low
8	Loss of major employer/jobs within LGA	1. Economy of the Shire linked to commodity prices and the global economy 2. Greater use of technology at mining companies may change staffing requirements at companies operating in the Shire	1. May impact rates income 2. May force closures of businesses in the Shire 3. May require an increase of community/social services provided by Shire 4. May impact on ability of State/Federal Government to provide funding (e.g. grants)	Yes	Shire Reserves Long Term Financial Plan Borrowing Strategy Industry Diversification	Maintenance of financial reserves reduce the impacts of such events and/or provide the Shire with time to adjust to impacts. Robust prioritisation of projects and the impact on ongoing operational costs. Minimal debt reduces fixed repayment commitments. Shire is fortunate to have diversification of commodities and multinational companies as major stakeholders	Distant	Slightly Vulnerable	Given the current commercial activities within the Shire, any loss of a major employer and/or any significant job losses in these companies, may impact on the revenue currently collected by the Shire.	Minor	Low	Yes	No	Distant	Slightly Vulnerable	Minor	Low
9	Government reforms, legislative changes, and/or investment decisions impact Council's ability to pursue strategies, service provision and/or sustainability	1. Lack of engagement with key stakeholders 2. Cost shifting by State Government 3. Change of government policy priorities 4. Budget pressures on State/ Federal governments 5. Downturn in economic conditions 6. Global event (war/pandemic) forces changes to Government financial priorities 7. Pilbara being a safe opposition seat	1. Inappropriate land use 2. Increase in red tape 3. Impact on development aspirations 4. Shire losing power to make decisions 5. Externalities and land use conflict 6. Reduced community understanding 7. Increased administrative burden 8. Reduced election focus by major parties	Yes	CEO/Shire President meeting regularly with Ministers and Director Generals of government departments Shire Reserves	Engagement is vital to raising Shire issues and to seeking grants and/or State Government investment into the Shire Maintenance of financial reserve will diminish the vulnerability to any change to Government actions	Distant	Slightly Vulnerable	The Shire, given its unique financial structure, does not rely on the same level of Government funding that other Shire's require. The maintenance of Shire reserves further reduces the vulnerability to this strategic risk as does the investment in multiple major trading incomes that have the potential to reduce the reliance on rating income.	Minor	Low	Yes	No	Distant	Slightly Vulnerable	Minor	Low

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10	Changes to external government funding model/s for Local Government	1. Change in government and/or changes to government funding priorities 2. Reduction in funds available within governments at State and/or Federal level for Local Government 3. Disaster/Natural events divert money from Federal/State government budgets 4. Downturn in economy 5. Economic mismanagement within Shire reduces Government trust in provision of funding 6. Changes to grant priorities	1. Less tied or capped grants available for Shire 2. Less untied grants available for Shire 3. Reduction in our ability to run Shire programs 4. Reduction in Capital expenditure investment 5. Potential reduction in in maintenance activities. 6. Negative impacts on Shire's reputation, particularly if programs are reduced	Yes	Long Term Financial Plan Industry Contribution to Social and Community Infrastructure Policy Diversified Investment Base Rating Strategy	Reviewed annually. All revenue sources reviewed including external grant funding. Voluntary funding agreements are sought from mining and resource sector proponents towards social and community infrastructure. Aimed at reducing the reliance on revenue from rating & grants. * Pilbara Regional Waste Management Facility * Onslow Airport * Ocean View Caravan Park * Sun Chalets Growth in the mining & resource sector over the last decade has seen rates more than double. As a result external grants now form less than 2% of revenue.	Distant	Slightly Vulnerable	Shire of Ashburton receives only a minimal level of government funding. As a result, any changes to Government funding models would have little to no impact on Shire operations.	Minor	Low	Yes	No	Distant	Slightly Vulnerable	Minor	Low
11	Increased criminal and/or anti-social behaviour within the LGA	1. Financial downturn in the economy 2. Loss of major commercial entity from the Shire 3. Reduction in law enforcement assets to the Shire 4. Lack of community engagement to identify community needs 5. Loss of State/Federal government investments in social programs within the Shire 6. Criminal enterprises move into the Shire to service the needs of the surrounding mining communities 7. High cost of living in the Shire	1. Could impact community safety 2. Additional costs for facilities repairs/ cleaning (e.g. graffiti) 3. Potential loss of residents from the LGA	Yes	Community Engagement strategy Regular engagement with law enforcement to monitor crime statistics/trends in the Shire Shire Reserves	Engaging proactively with the community will assist the Shire in making investment decisions that will enhance the community Engaging proactively with law enforcement will allow for any changes in crime profile to be recognised early so that State Government can be engaged in relation to law enforcement assets Maintenance of financial reserve will ensure that any additional costs will not impact on current operations	Distant	Slightly Vulnerable	At present, criminal/anti-social behaviour in the Shire is low. If, however, any of the causes/triggers begin to emerge, the likelihood and/or vulnerability may need to be reconsidered	Minor	Low	Yes	No	Distant	Slightly Vulnerable	Minor	Low
12	Major 3rd Party Environmental incident impacts the Shire	1. Cost cutting practices employed at certain (less ethical) employer organisations 2. Sensitivity/vulnerability of environment in some areas of the Shire 3. Lack of Regulatory presence 4. Major incident at the Port of Ashburton - i.e Oil Spill, pollution of waterways	1. Could impact other non-mining related industries within the Shire 2. May result in Shire having to provide services to those affected 3. May impact on tourism 4. May impact on future development in the Shire	No			Distant	Moderately Vulnerable	Given the environmental sensitivity of some areas within the Shire there is some vulnerability.	Moderate	Low	Yes	No	Distant	Moderately Vulnerable	Moderate	Low
13	Major biosecurity incident within the Shire impacts businesses in the Shire of Ashburton (e.g. foot and mouth disease, Polyphagous Shot-hole Borer)	1. Lack of containment of bio-security incident outside of the LGA	1. May impact industries within the Shire	No			Distant	Slightly Vulnerable	The agriculture industry within the Shire is not significant, so the vulnerability is low	Minor	Low	Yes	No	Distant	Slightly Vulnerable	Minor	Low