



SHIRE OF
DOWERIN
TIN DOG TERRITORY

MINUTES

Audit & Risk Committee Meeting

Held in Council Chambers
13 Cottrell Street, Dowerin WA 6461
Thursday 5 June 2025

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Table of Contents



1.	Official Opening
2.	Record of Attendance / Apologies / Leave of Absence
3.	Public Question Time
4.	Disclosure of Interest
5.	Confirmation of Minutes of the Previous Meetings
5.1	Minutes of the Audit & Risk Committee Meeting held on 28 February 2025
6.	Presentations
7.	Officer's Reports
7.1	Risk Dashboard Review
7.2	Renaming of Audit & Risk Committee
7.3	Appointment of Independent Chair
8.	Questions from Members
9.	Urgent Business Approved by the Person Presiding or by Decision
10.	Date of Next Meeting
11.	Closure

Shire of Dowerin
Audit & Risk Committee Meeting
12:00pm Thursday 5 June 2025



1. Official Opening

The Chair welcomed those in attendance and declared the Meeting open at 12:00pm.

2. Record of Attendance / Apologies / Leave of Absence

Committee Members:

Cr RI Trepp	President & Chair
Cr NP McMorran	Deputy President
Cr DP Hudson	
Cr BA Ward	
Ms TA Jones	Independent Member

Staff:

Ms M Barthakur	Chief Executive Officer
Ms K Rose	Manager of Governance and Community Services
Mr S Mwale	Manager of Corporate Services

Apologies:

Nil

Approved Leave of Absence:

Nil

3. Public Question Time

Nil

4. Disclosure of Interest

Nil

Cr Hudson entered the meeting at 12:02pm

5. Confirmation of Minutes of the Previous Meeting(s)

5.1 Audit & Risk Committee Meeting held on 28 February 2025

[Attachment 5.1A](#)

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution – 5.1

Moved: Ms T Jones

Seconded: Cr Ward

1120

That, in accordance with Sections 3.18 and 5.22(2) of the *Local Government Act 1995*, the Minutes of the Audit & Risk Committee Meeting held on 28 February 2025, as presented in Attachment 5.1A, be confirmed as a true and correct record of proceedings.

CARRIED 5/0

For: Cr Trepp, Cr McMorran, Cr Hudson, Cr Ward, Ms T Jones

6. PRESENTATIONS

Nil

7. OFFICER'S REPORTS

7.1 Risk Dashboard Review

Corporate & Community Services		
Date:	3 June 2025	
Location:	Not applicable	
Responsible Officer:	Manisha Barthakur, Chief Executive Officer	
Author:	Kahli Rose, Manager of Governance and Community Services	
Legislation:	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>	
SharePoint Reference:	Organisation/Governance/Committees/2025 06 05 A&R Committee	
Disclosure of Interest:	Nil	
Attachments:	Attachment 7.1A – June Risk Dashboard Review	

Purpose of Report



Executive Decision



Legislative Requirement

Summary

This Item presents the Risk Dashboard Quarterly Report to the Audit & Risk Committee for consideration and, if satisfactory, recommendation to Council for adoption. The report highlights numerous risks that are not adequately managed and require urgent attention.

Background

The Shire of Dowerin's Risk Management Policy, in conjunction with the Risk Management Framework, sets out the Shire's approach to the identification, assessment, management, and monitoring of risks.

Appropriate governance of risk management within the Shire provides:

- Transparency of decision-making;
- Clear identification of the roles and responsibilities of the risk management functions; and
- An effective governance structure to support the Risk Management Framework.

The Audit & Risk Committee has a role to play, and its responsibilities include:

- Regular review of the appropriateness and effectiveness of the Risk Management Framework;
- Supporting Council to provide effective corporate governance;
- Oversight of all matters that relate to the conduct of external audits; and
- Ensuring independence, objectivity, and autonomy in deliberations.

It is essential to monitor and review risk management practices as changing circumstances may increase or decrease risks. Regular reviews of controls and treatments ensure organisational resources are used effectively. During the quarterly reporting process, management reviews their areas to ensure ongoing mitigation of risks.

	Comment
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Key high-risk areas identified include:

Asset Management

Key Risks:

Failure or reduction in service of infrastructure assets, plant, equipment, or machinery due to outdated maintenance, financial forecasting gaps, and ageing systems.

Actions Required:

- Complete revaluation of road, sewerage, and other infrastructure assets (due Jun 2025–26).
- Finalise updates to RAMM and link to Asset Management Plan (by Jan 2026). Review and update Asset Management Plan and Long-Term Financial Plan in alignment with ISP review (by FY25/26).

Business Disruption Preparedness

Key Risks:

Insufficient planning for emergency management, business continuity, and IT recovery increases the risk of prolonged disruptions to community and corporate services.

Actions Required:

- Conduct LEMC Annual Exercise (scheduled for July 2025).
- Review and update Business Continuity Plan (by Dec 2025).
- Implement annual BCP drills (commence Dec 2025).
- Finalise and implement IT Disaster Recovery Plan (in progress with IT provider; target Sept 2025).
- Maintain firefighting equipment and generator servicing schedules.
- Provide warden training (budget for FY25/26).

Compliance & Governance Oversight Gaps

Key Risks:

Regulatory non-compliance due to outdated frameworks, lack of documented procedures, and inconsistent staff knowledge.

Actions Required:

- Finalise and adopt Governance Management Framework (by Jul 2025).
- Review Councillor Induction Manual (by Aug 2025).
- Implement HR Framework review and align with PRIS principles (by Aug 2025).
- Conduct interim and end-of-year audit findings reviews and implement improvements.

Employment & Workplace Safety Gaps

Key Risks:

Inadequate HR frameworks, poor succession planning, and high turnover rates create instability and workplace risks.

Actions Required:

- Review and implement updated Workforce Plan (by Dec 2025).
- Conduct full cycle performance reviews (May 2025).
- Develop and implement Health and Wellbeing Program.
- Finalise staff induction process and compliance training register updates.

Community Engagement & Reputation Management

Key Risks:

Poor community engagement, lack of proactive communication, and gaps in customer service risk damaging public trust.

Actions Required:

- Review Customer Service Charter and complaint handling processes.
- Improve tracking and reporting of community feedback and service requests.

External Theft & Cybersecurity Risks

Key Risks:

Outdated IT security, inadequate password control, and poor access management expose the organisation to cyber and physical security breaches.

Actions Required:

- Finalise and enforce IT Disaster Recovery Plan and IT Infrastructure Replacement Program.
- Implement quarterly password change schedule.
- Update key register and access controls.

Misconduct & Ethical Risks

Key Risks:

Potential for breaches of Code of Conduct, poor enforcement of internal controls, and governance gaps.

Actions Required:

- Finalise review of Code of Conduct (Councillor) (by Aug 2025).
- Conduct Regulation 17 Review (by Dec 2025).
- Update Purchasing Policy, financial authorisation policies, and internal controls.
- Implement regular compliance training and staff reinforcement.

Safety & Security Practices

Key Risks:

Workplace safety gaps, outdated emergency management, and inconsistent WHS practices increase the risk of staff injury and legal exposure.

Actions Required:

- Conduct annual BCP and LEMC drills.
- Finalise Hazard Register and update quarterly.
- Continue regular workplace inspections and WSH Committee meetings.
- Implement isolated worker management procedure and review contractor inductions.

Contract & Procurement Risks

Key Risks:

Poor contract management, lack of planning, and inadequate vendor monitoring.

Actions Required:

- Develop a centralised contract management system (by September 2025).
- Conduct regular audits on vendor sustainability and contract compliance (ongoing).
- Review procurement policies to ensure best value and compliance (by December 2025)

Supplier & Contract Management

Key Risks:

Inadequate contract governance and poor supplier performance monitoring increase financial and legal risks.

Actions Required:

- Develop centralised contract management system (ongoing).
- Implement standardised contract templates.
- Regularly review and update Purchasing Policy and procurement processes.
- Strengthen financial reporting tools and controls.

Consultation

Manisha Barthakur, Chief Executive Officer

Kahli Rose, Manager of Governance and Community Services

Ben Forbes, Manager of Infrastructure and Projects

Solomon Mwale, Manager of Corporate Services

Policy Implications

Council Policy 2.2 – Risk Management Policy

Strategic Implications

Strategic Community Plan

Community Priority: Our Organisation

Objective: We are recognised as a transparent, well governed, and effectively managed Local Government

Outcome: 5.3

Reference: 5.3.2

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Statutory Implications

The *Local Government Act 1995* and Regulations 16 and 17 of the *Local Government (Audit) Regulations* are applicable.

Risk Implications

Risk Profiling Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Category	Compliance
Risk Description	Short term non-compliance but with significant regulatory requirements imposed
Consequence Rating	Moderate (3)
Likelihood Rating	Possible (3)
Risk Matrix Rating	Moderate (6)
Key Controls (in place)	Governance Management Framework, Staff Training Plan
Action (Treatment)	Document Governance Management Framework
Risk Rating (after treatment)	Adequate

Financial Implications

Risk management actions will require ongoing allocation in annual budgets to facilitate resources and staff support where necessary.

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution – 7.1

Moved: Cr Hudson

Seconded: Cr Ward

1121

That, in accordance with Regulations 16 and 17 of the Local Government (Audit) Regulations 1996, the Audit and Risk Committee:

1. Receives the Risk Dashboard Quarterly Report – June 2025, as presented in Attachment 7.1A, detailing significant risks and required mitigation actions; and
2. Recommends to Council that it adopts the Risk Dashboard Quarterly Report – June 2025, with ongoing sufficient allocation of resources and budget to address them effectively.

CARRIED 5/0

For: Cr Trepp, Cr McMorran, Cr Hudson, Cr Ward, Ms T Jones

Please note: the Audit & Risk Committee does not have delegated authority to make decisions. All recommendations of the Audit & Risk Committee are presented to Council for ratification.

7.2 Renaming of Audit & Risk Committee

Corporate & Community Services



Date:	3 June 2025
Location:	Not applicable
Responsible Officer:	Manisha Barthakur, Chief Executive Officer
Author:	Kahli Rose, Manager of Governance and Community Services
Legislation:	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>
SharePoint Reference:	Organisation/Governance/Committees/2025 06 05 A&R Committee
Disclosure of Interest:	Nil
Attachments:	Attachment 7.2A - DLGSC Fact Sheet

Purpose of Report



Executive Decision



Legislative Requirement

Summary

This item presents a proposed change to the name of the Shire of Dowerin's Audit & Risk Committee to the Audit, Risk, and Improvement Committee (ARIC), in line with the *Local Government Act 1995* reforms passed under Tranche 2 of the State Government's Local Government Reform Program.

The renaming reflects new statutory requirements introduced by the reforms and ensures that the Committee's structure and functions are aligned with the updated legislative framework.

Background

The *Local Government Amendment Act 2024* (Tranche 2 reforms) introduced several changes aimed at strengthening governance, transparency, and accountability within local governments.

One key change is the requirement for all local governments to transition their current audit committees into Audit, Risk, and Improvement Committees (ARICs). This expanded committee role provides oversight not only of audit and risk functions, but also of continuous improvement across the organisation. The Department of Local Government, Sport, and Cultural Industries (DLGSC) has published guidance stating that all councils will be required to adopt this model

Comment

Transitioning to an ARIC will ensure that the Shire's governance practices remain compliant with the legislative reforms and aligned with sector best practice.

Key elements of this transition will include:

- Renaming the current "Audit & Risk Committee" to "Audit, Risk and Improvement Committee" (ARIC).
- Updating the Terms of Reference to reflect the expanded scope of responsibilities, which now explicitly includes oversight of organisational performance and continuous improvement.
- Reviewing committee membership and reporting arrangements to ensure full alignment with the DLGSC's guidance and expectations.

An updated Terms of Reference and committee structure will be brought back to the Committee for endorsement and recommendation to Council following this initial step of formally adopting the new name.

Consultation

Manisha Barthakur, Chief Executive Officer

Kahli Rose, Manager of Governance and Community Services

DLGSC Fact Sheet: *Reforms to Governance and Committees*

WALGA Governance Team

Policy Implications

Policy 2.2 – Risk Management Policy is applicable and will be reviewed as part of the broader Governance Framework update in line with the transition to an ARIC.

Strategic Implications

Strategic Community Plan

Community Priority: Our Organisation

Objective: We are recognised as a transparent, well governed, and effectively managed Local Government

Outcome: 5.3

Reference: 5.3.2

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Statutory Implications

- Section 7.1A of the *Local Government Act 1995*, as amended by the *Local Government Amendment Act 2024*, mandates the establishment of an Audit, Risk, and Improvement Committee by all local governments.
- The ARIC will replace the existing audit committee and assume expanded functions in accordance with the DLGSC guidance:
 - Overseeing financial and risk management.
 - Monitoring internal controls and statutory compliance.
 - Driving continuous improvement in organisational performance and governance.

Supporting regulations (to be gazetted by DLGSC) will set out transitional and operational requirements. The Department's Fact Sheet on Reforms to Governance and Committees provides the current implementation guidance.

Risk Implications

Risk Profiling Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Category	Compliance
Risk Description	Some temporary non compliances
Consequence Rating	Moderate (3)
Likelihood Rating	Possible (3)
Risk Matrix Rating	Moderate (9)
Key Controls (in place)	Governance Management Framework, Legislative monitoring processes
Action (Treatment)	Adopt new committee name and scope Update Terms of Reference
Risk Rating (after treatment)	Adequate

Financial Implications

Nil

Voting Requirements

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Simple Majority

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Absolute Majority

Officer's Recommendation/Resolution – 7.2

Moved: Cr Ward

Seconded: Cr Hudson

1121

That, by Absolute Majority, the Audit and Risk Committee:

1. Recommends to Council that the current "Audit & Risk Committee" be renamed the Audit, Risk, and Improvement Committee (ARIC) in line with the *Local Government Act 1995* reforms.
2. Notes that updated Terms of Reference will be presented to the Committee for endorsement prior to the next formal meeting cycle.

CARRIED 5/0

For: Cr Trepp, Cr McMorran, Cr Hudson, Cr Ward, Ms T Jones

Please note: the Audit & Risk Committee does not have delegated authority to make decisions. All recommendations of the Audit & Risk Committee are presented to Council for ratification.

7.3 Appointment of Independent Chair

Corporate & Community Services



Date:	3 June 2025
Location:	Not applicable
Responsible Officer:	Manisha Barthakur, Chief Executive Officer
Author:	Kahli Rose, Manager of Governance and Community Services
Legislation:	<i>Local Government Act 1995; Local Government (Audit) Regulations 1996</i>
SharePoint Reference:	Organisation/Governance/Committees/2025 06 05 A&R Committee
Disclosure of Interest:	Nil
Attachments:	Attachment 7.2A - DLGSC Fact Sheet

Purpose of Report



Executive Decision



Legislative Requirement

Summary

This item presents a proposed change to the membership structure of the Shire of Dowerin's Audit, Risk, and Improvement Committee (ARIC), to include the appointment of an Independent Presiding Member (Chair), in accordance with the requirements of the *Local Government Act 1995* reforms introduced through Tranche 2 of the State Government's Local Government Reform Program.

This change is mandatory under the updated legislation and supports the Shire's commitment to strong governance and impartial oversight of risk, audit, and improvement processes.

Background

The *Local Government Amendment Act 2024* (Tranche 2 reforms) introduced new requirements for the operation of local government audit committees across Western Australia.

One key element of these reforms is the requirement that the Audit, Risk, and Improvement Committee must be chaired by an Independent Presiding Member, who is not an elected member of Council or an employee of the local government.

This change is designed to strengthen public confidence in the integrity, independence, and transparency of committee processes, particularly in the areas of financial management, risk oversight and organisational performance improvement.

Guidance provided by the Department of Local Government, Sport, and Cultural Industries (DLGSC) confirms that all councils are required to implement this structure, with the appointment of an independent chair to occur as part of the committee's transition to an ARIC.

Comment

Appointment of an Independent Presiding Member will ensure that the Shire's ARIC structure aligns with both legislative obligations and contemporary sector standards.

Key considerations include:

- The Independent Presiding Member must be an individual who is not an elected member or an employee of the Shire.
- The individual should ideally bring skills and experience in financial management, risk oversight, governance, or organisational improvement.
- The Terms of Reference for the ARIC will need to be updated to formally reflect the requirement for an Independent Presiding Member.

To support continuity of committee operations and considering current uncertainty regarding the final guidance on the appointment of an independent deputy chair, it is proposed that, in the interim, the committee will elect a proxy chair from among its members should the Independent Presiding Member be unavailable. This arrangement will remain in place until further clarification on the reform requirements is provided by the Department.

Consultation

Manisha Barthakur, Chief Executive Officer

Kahli Rose, Manager of Governance and Community Services

DLGSC Fact Sheet - *Reforms to Governance and Committees*

WALGA Governance Team

Policy Implications

Policy 2.2 – Risk Management Policy is applicable and will be updated as part of the broader review of governance policies associated with the transition to an ARIC.

Strategic Implications

Strategic Community Plan

Community Priority: Our Organisation

Objective: We are recognised as a transparent, well governed, and effectively managed Local Government

Outcome: 5.3

Reference: 5.3.2

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Statutory Implications

- Section 7.1A of the *Local Government Act 1995*, as amended by the *Local Government Amendment Act 2024*, mandates that Audit, Risk and Improvement Committees must have an Independent Presiding Member.
- The change is intended to promote independence and impartiality in committee oversight functions, in alignment with State Government reform objectives.
- Supporting regulations and guidance are provided by the Department of Local Government, Sport, and Cultural Industries.

Risk Implications

Risk Profiling Theme	Failure to fulfil statutory regulations or compliance requirements
Risk Category	Compliance
Risk Description	Some temporary non compliances
Consequence Rating	Moderate (3)
Likelihood Rating	Possible (3)
Risk Matrix Rating	Moderate (8)
Key Controls (in place)	Governance Management Framework, Legislative Monitoring
Action (Treatment)	Adopt new committee membership structure; appointment of Independent Presiding Member
Risk Rating (after treatment)	Adequate

Financial Implications

Nil

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution – 7.3

Moved: Cr McMorran

Seconded: Cr Hudson

1123

That, by Absolute Majority, the Audit and Risk Committee:

1. Recommends to Council that an Independent Presiding Member (Chair) position be established for the Audit, Risk, and Improvement Committee (ARIC), in accordance with the *Local Government Act 1995* reforms; and
2. Recommends to Council that Ms Tracy Jones be appointed as the Independent Presiding Member (Chair) of the Audit, Risk, and Improvement Committee (ARIC), effective immediately.

CARRIED 5/0

For: Cr Trepp, Cr McMorran, Cr Hudson, Cr Ward, Ms T Jones

Please note: the Audit & Risk Committee does not have delegated authority to make decisions. All recommendations of the Audit & Risk Committee are presented to Council for ratification.

8.	Questions from Members
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Nil

9.	Urgent Business Approved by the Person Presiding or by Decision
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Nil

10.	Date of the Next Meeting
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12 August 2025 – 12pm commencement

To be confirmed

11.	Closure
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The Chair thanked those in attendance and declared the Meeting closed at 12:25pm