



SHIRE OF
DOWERIN
TIN DOG TERRITORY

MINUTES

Audit, Risk and Improvement
Committee Meeting

Held in Council Chambers
13 Cottrell Street, Dowerin WA 6461
Wednesday 4 June 2026

UNCONFIRMED

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Shire of Dowerin Audit, Risk and Improvement Committee Meeting 4 June 2026

1. Official Opening

The Chair welcomed those in attendance and declared the Meeting open at 3:03pm.

2. Record of Attendance / Apologies / Leave of Absence

Committee Members:

Ms TA Jones	Independent Chairperson
Cr DP Hudson	
Cr JA Graffin	
Cr RI Trepp	

Staff:

Ms M Barthakur	Chief Executive Officer
Ms K Rose	Manager of Governance and Community Services
Ms R Wall	Manager of Corporate Services
Ms D Griffiths-I'Anson	Governance Officer

Apologies:

3. Public Question Time

Nil

4. Disclosure of Interest

Nil

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

- 5.1 Audit, Risk, and Improvement Committee Meeting held on 24 April 2026.
[Attachment 5.1A](#)

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution - 5.1

Moved: Cr Graffin

Seconded: Cr Hudson

1325 That, in accordance with Sections 3.18 and 5.22(2) of the *Local Government Act 1995*, the Minutes of the Audit, Risk, and Improvement Committee Meeting held on 24 April 2026, as presented in Attachment 5.1A, be confirmed as a true and correct record of proceedings.

CARRIED 4/0

For: Ms T Jones, Cr Hudson, Cr Trepp, Cr Graffin

6. Presentations

Nil

7. OFFICER'S REPORTS

7.1 Risk Dashboard Review

Governance and Community

Date:	28 June 2026
Location:	Not applicable
Responsible Officer:	Kahli Rose, Manager of Governance and Community Services
Author:	Kahli Rose, Manager of Governance and Community Services
Legislation:	<i>Local Government Act 1995;</i> <i>Local Government (Audit) Regulations 1996</i>
SharePoint Reference:	Organisation/Governance/Committees
Disclosure of Interest:	Nil
Attachments:	Attachment 7.1A - June Risk Dashboard

Purpose of Report

Executive Decision

Legislative Requirement

Summary

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

Following completion of the Regulation 17 Review and Financial Management Review audits, amendments have been made to the Risk Dashboard structure to improve clarity, governance oversight, and alignment with audit recommendations.

The updated dashboard now separates Strategic Risk Items from Operational Risk Items and includes an additional Audit Findings section to allow management and the Audit, Risk and Improvement Committee to monitor audit recommendations and implementation progress in a consolidated format.

Background

The Shire maintains a Risk Dashboard to monitor the implementation and effectiveness of controls across operational, governance, compliance, and strategic functions.

The Dashboard focuses on:

- Identifying areas where controls are operating effectively
- Highlighting gaps where controls are incomplete or not yet implemented
- Supporting prioritisation of management actions and oversight by Council and the Audit, Risk, and Improvement Committee

The Risk Dashboard applies a three-tier risk rating framework (Low, Moderate, High), reflecting the maturity and effectiveness of controls rather than incident severity.

Comment

The June 2026 Risk Dashboard has been updated following completion of the Regulation 17 Review and Financial Management Review audits.

A key recommendation arising from the Regulation 17 audit was that the Risk Dashboard presented to the Audit, Risk and Improvement Committee should not combine broader strategic governance risks and operational management actions within a single consolidated reporting structure. In response, the June dashboard now includes a dedicated Audit Findings section to separately track findings arising from the Regulation 17 Review and Financial Management Review audits.

Several updates and amendments have also been made since the previous dashboard was presented, including:

Asset Management Practices

Removal of the following items, as they are now complete:

1. Revaluation of Road Assets
2. Update RAMM, and
3. Review Asset Management Plan

Revaluation of Other Infrastructure due dates have been updated to align with the 2026/27 review schedule.

Business & Community Disruption

Additional commentary has been added to the Annual LEM Exercise Undertaken action, noting delays due to staffing changes, recruitment delays, and staff leave impacts.

Removal of the following items, as they are now complete:

1. Fire Breaks Inspected and Enforced Annually
2. Fire Fighting Equipment Maintained and Serviced Annually
3. Admin Generator Maintained and Serviced Annually, and
4. Review Managing Emergencies in Shire Facilities

Develop IT Disaster Recovery Plan has been updated to reflect that the plan has still not yet been delivered by the IT provider.

Failure to Fulfil Compliance Requirements (Statutory and Regulatory)

Removal of the following items, as they are now complete:

1. Review Councillor Induction Manual, and
2. Review Purchasing Policy & Procurement Process

Present Regulation 17 Review to Audit & Risk Committee item has now been marked complete following presentation of the findings to the June 2026 ARIC meeting.

Additional audit implementation tracking has now been incorporated into the new Audit Findings section.

Document Management Processes

Updated commentary has been included regarding PRIS implementation requirements and recent record keeping training attended by staff.

Review SharePoint System item has been removed from the dashboard and incorporated into broader information management actions.

Employment Practices

Removal of the following items, as they are now complete:

1. Review Workforce Plan, and
2. Review Staff Induction Process

Updated commentary has been included against annual driver licence checks and performance review actions.

Additional commentary has been included noting that the HR area has recently transitioned under the Manager Governance and Community Services portfolio.

Engagement Practices

Removal of the following items, as they are now complete:

1. Conduct Community Satisfaction Survey,
2. Review Process for Customer Response Requests,
3. Review Customer Service Charter, and
4. Update Complaint Register

The Review Community Complaints, Feedback & Request Handling Process action has been updated to reference findings identified through the Regulation 17 audit and investigations into suitable software solutions.

Environment Management

Updated commentary has been included noting that Water Corporation will not be taking over the sewerage asset and that costs associated with the system are still being investigated.

Errors, Omissions & Delays

Additional commentary has been included against Centralise Checklists, Controls and Procedures noting that the matter was also identified through the Regulation 17 audit findings.

External Theft & Fraud (Including Cyber)

Implement Quarterly Schedule for Changing Passwords has been removed as a completed item.

Updated commentary has been included regarding access control reviews and system investigations.

Management of Facilities/Venues/Events

Updated commentary has been included regarding progress updates required from responsible officers and scheduling of public building inspections.

IT or Communications Systems and Infrastructure

Updated commentary has been included regarding internal IT documentation reviews and asset management investigations currently being undertaken by the Shire's contracted IT Officer.

Review IT Management Service Level Agreement item has been updated to note that contract review and quotation investigations are currently being undertaken by the MCS and MGCS.

Misconduct

Additional commentary has been included against governance control and procedure review items following completion of the Regulation 17 and Financial Management Review audits.

Safety and Security Practices

Several completed operational WHS and security items have been removed from the dashboard, including:

1. Review Hazard Register
2. Update Staff Training Register
3. Conduct Quarterly Workplace Inspections
4. Safe Work Method Statements Library
5. Assess Shire Building and Facility Safety and Security
6. Develop Isolated Worker Management Procedure
7. Re-Establish WHS Committee & Conduct Quarterly Meetings
8. Review Managing Emergencies in Shire Facilities
9. Review Contractor Inductions and Register

Supplier/Contract Management

Removal of the following items, as they are now complete:

1. Develop Standardised Contracts,
2. Document Financial Controls, and
3. Develop Appropriate Financial Reporting Tools

The June 2026 dashboard demonstrates continued progression across a number of governance, compliance, payroll, IT, procurement, and operational control areas. However, several high-risk items remain outstanding and will require continued monitoring and prioritisation by management and the Audit, Risk and Improvement Committee.

Consultation

Manisha Barthakur, Chief Executive Officer

Kahli Rose, Manager of Governance and Community Services

Ben Forbes, Manager of Infrastructure and Projects

Policy Implications

Council Policy 2.2 - Risk Management Policy

Strategic Implications

Strategic Community Plan

Community Priority: Our Organisation

Objective: Deliver a high standard of governance and administration

Outcome: 4.1

Reference: 4.1

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Statutory Implications

Local Government Act 1995

Section 5.41 – Functions of CEO

(1) The CEO is responsible for the day-to-day operations of the local government.

Local Government (Audit) Regulations 1996

Regulation 17 – Review of systems and procedures

A local government is to review the appropriateness and effectiveness of its systems and procedures

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 and audit implementation activities will require ongoing allocation within annual budgets to facilitate staff resources, governance improvements, system reviews, and compliance activities where required.

Voting Requirements

Simple Majority Absolute Majority

Officer's Recommendation/Resolution - 7.1

Moved: Cr Trepp **Seconded:** Cr Graffin

1326 That, in accordance with Regulations 16 and 17 of the Local Government (Audit) Regulations 1996, the Audit, Risk and Improvement Committee:

1. Receives the Risk Dashboard Quarterly Report - June 2026, as presented in Attachment 7.1A;
2. Notes the revised structure of the Risk Dashboard following recommendations arising from the Regulation 17 Review; and
3. Recommends to Council that it adopts the Risk Dashboard Quarterly Report - June 2026

CARRIED 4/0

For: Ms T Jones, Cr Hudson, Cr Trepp, Cr Graffin

Please note: the Audit, Risk and Improvement Committee has limited authority to make decisions. All recommendations of the Committee are presented to Council for ratification.

7.2 Regulation 17.1 (b) and (c), and Regulation 17 (1) (a) Audit Reports

Governance and Community

Date:	28 May 2026
Location:	Not applicable
Responsible Officer:	Manisha Barthakur, Chief Executive Officer
Author:	Kahli Rose, Manager of Governance and Community Services
Legislation:	<i>Local Government (Audit) Regulations 1996</i>
SharePoint Reference:	Organisation/Governance/Committees
Disclosure of Interest:	Nil
Attachments:	Attachment 7.2A - Regulation 17 (1) (a) Report Attachment 7.2B - Regulation 17.1 (b) & (c) Report

Purpose of Report

Executive Decision

Legislative Requirement

Summary

This item presents the completed Regulation 17 Review reports undertaken by Australian Audit in accordance with the Local Government (Audit) Regulations 1996.

The reviews assessed the appropriateness and effectiveness of the Shire's:

- Financial management systems and procedures;
- Risk management framework;
- Internal control environment; and
- Legislative compliance systems and processes.

Both reviews identified a number of governance, compliance, operational, and process improvement opportunities. No high-risk findings were identified through either review.

Management comments have been incorporated into both reports, outlining actions already implemented, actions currently underway, and proposed future improvements.

Background

Regulation 17 of the Local Government (Audit) Regulations 1996 requires local governments to periodically review the appropriateness and effectiveness of their systems and procedures relating to:

- Financial management;
- Risk management;
- Internal controls; and
- Legislative compliance.

As of 1 January 2026, amendments to Regulation 17 changed the review cycle from every three years to every four years and incorporated financial management requirements directly into Regulation 17(1)(a).

Australian Audit was engaged to undertake the following reviews:

- Regulation 17(1)(a) – Financial Management Review; and
- Regulation 17(1)(b) & (c) – Risk Management, Internal Control and Legislative Compliance Review.

The reviews were undertaken during the 2025/26 financial year, with final reports issued on 21 May 2026.

Comment

Regulation 17 (1)(a) – Financial Management Review

The Financial Management Review assessed key financial management systems and procedures, including:

- Procurement;
- Contract management;
- Accounts payable;
- Cash collection and handling;
- Payroll;
- General ledger reconciliations;
- Rates, revenue and debt management;
- Investment management;
- Asset management; and
- Budget processes.

The review concluded that the Shire's financial management systems are generally satisfactory and no high-risk findings requiring immediate attention were identified.

The review identified several low-risk findings and process improvement opportunities, including:

- Procurement monitoring and supplier reporting;
- Contract management procedures and establishment of a centralised contract register;
- Vendor bank detail verification processes;
- Cash handling security measures;
- Debt management procedures;
- Payroll review and approval controls;
- Cashflow forecasting documentation;
- Asset management procedures and minor asset registers;
- System access reporting; and
- Documented reconciliation procedures.

Management comments included within the report identify that a number of process improvements and control measures have already commenced or been implemented, particularly within payroll, financial reconciliations, procurement oversight, and systems review activities.

Regulation 17 (1)(b) & (c) – Risk Management, Internal Control and Legislative Compliance Review

The Regulation 17 (1)(b) & (c) review assessed the Shire's:

- Risk management framework;
- Governance systems;
- Internal control environment;
- Legislative compliance processes; and
- IT general control environment.

The review identified one medium-risk finding relating to the structure and governance oversight of the Risk Register and several low-risk findings relating to governance frameworks, policies, and internal control documentation.

Key findings included:

- Risk registers not clearly distinguishing between strategic and operational risks;
- Absence of a Fraud and Corruption Prevention Policy;
- Absence of a Whistleblower Policy;
- No formal Business Continuity Plan;
- Lack of a formal ARIC induction process;
- No Internal Control Policy;
- Outdated finance and administration procedures;
- Complaints management oversight improvements required; and
- Several IT governance and documentation gaps.

The review also acknowledged several positive observations, including:

- Existence of a Risk Management Framework;
- Established governance and compliance functions;
- Use of compliance calendars and registers;
- Existing governance policies and frameworks;
- Strong password and system management controls; and
- Existing backup and cybersecurity controls.

Management comments within both reports acknowledge the findings and outline proposed improvement actions, procedural reviews, policy development, governance improvements, and system enhancements to progressively address the identified matters.

Several actions identified through the review process have already commenced and are reflected within the updated Risk Dashboard presented separately to the Audit, Risk and Improvement Committee.

Consultation

Manisha Barthakur, Chief Executive Officer

Kahli Rose, Manager of Governance and Community Services

Rachael Wall, Manager of Corporate Services

Megan Shirt, AccWest

Policy Implications

Council Policy 2.2 – Risk Management Policy
 Council Policy 7.14 – Purchasing Policy

Strategic Implications

Strategic Community Plan

Community Priority: Our Organisation
 Objective: Deliver a high standard of governance and administration
 Outcome: 4.1
 Reference: 4.1

Asset Management Plan

Nil

Long Term Financial Plan

Nil

Statutory Implications

Local Government (Audit) Regulations 1996

Regulation 17 – Review of systems and procedures

A local government is to review the appropriateness and effectiveness of its systems and procedures in relation to –

- (a) financial management;
- (b) risk management; and
- (c) internal control and legislative compliance.

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	Major (4)
Likelihood Rating	Unlikely (2)
Risk Matrix Rating	Moderate (8)
Key Controls (in place)	Governance Management Framework; Audit Reviews; Compliance Monitoring; Policies and Procedures
Action (Treatment)	Implementation and monitoring of audit findings and recommendations
Risk Rating (after treatment)	Effective

Financial Implications

The Regulation 17 review processes formed part of the Shire's governance and compliance obligations for the 2025/26 financial year.

Costs associated with the reviews were:

- Regulation 17 (1)(a) – Financial Management Review: \$8,500 excluding GST; and
- Regulation 17 (1)(b) & (c) Review: \$4,500 excluding GST.

Implementation of review findings and governance improvements may also require future budget allocations for policy development, systems improvements, staff training, governance initiatives, and IT control enhancements.

Voting Requirements



Simple Majority



Absolute Majority

Officer's Recommendation/Resolution - 7.2

Moved: Cr Hudson

Seconded: Cr Graffin

1327

That, in accordance with Regulation 17 of the Local Government (Audit) Regulations 1996, the Audit, Risk and Improvement Committee recommends that Council:

1. Receives the Regulation 17 (1)(a) Financial Management Review Final Report, as provided in Attachment 7.2A;
2. Receives the Regulation 17 (1)(b) & (c) Review Final Report, as provided in Attachment 7.2B;
3. Notes the findings and management comments contained within both reports;
4. Notes that no high-risk findings were identified through either review; and
5. Notes the outcomes of the Regulation 17 reviews and supports ongoing implementation of the identified improvement actions and governance measures.

CARRIED 4/0

For: Ms T Jones, Cr Hudson, Cr Trepp, Cr Graffin

Please note: the Audit, Risk and Improvement Committee has limited authority to make decisions. All recommendations of the Committee are presented to Council for ratification.

8. Questions from Members

Cr Trepp

- Have the FMR and R17 audits been completed internally before?

The Chief Executive Officer advised that these reviews had previously been undertaken internally. However, she recommended engaging an external auditor to provide an independent assessment of the Shire's systems and processes, reducing the potential for unintended bias and ensuring an objective review of current practices.

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

10. Date of the Next Meeting

September 2026

11. Closure

The Chair thanked those in attendance and declared the Meeting closed at 3:34pm

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