SHIRE OF WYNDHAM EAST KIMBERLEY

Audit, Risk and Improvement Committee Briefing Session

Monday 23 November 2026

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SHIRE OF WYNDHAM EAST KIMBERLEY
AUDIT, RISK AND IMPROVEMENT COMMITTEE
AGENDA
KUNUNURRA COUNCIL CHAMBERS
TO BE HELD ON MONDAY 23 NOVEMBER 2026 AT 5:00 PM

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1. DECLARATION OF OPENING

2. RECORD OF ATTENDANCE / APOLOGIES

3. DECLARATION OF INTEREST

4. CONFIRMATION OF MINUTES

5. REPORTS

5.1. SAFETY

AUTHOR:	Executive Manager Human Resources and Safety
RESPONSIBLE OFFICER:	Chief Executive Officer
FILE NO:	PL.17.33
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Regulator - enforce state legislation and local laws
VOTING REQUIREMENT:	Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That Council:

1. **Notes the workplace health and safety update for the quarter ended 30 September 2026 and the information provided in Confidential Attachment 1.**

2. **Notes the progress of corrective actions, as detailed in Confidential Attachment 1.**

PURPOSE

To provide the Audit, Risk and Improvement Committee with a quarterly update on workplace health and safety performance, progress against previously reported corrective actions and outstanding matters requiring management attention.

BACKGROUND / PREVIOUS CONSIDERATIONS BY COUNCIL OR COMMITTEE

In July 2024, LGIS undertook a workplace health and safety assessment through its 3 Steps to Safety program. The assessment identified areas for improvement and informed the development of a workplace health and safety action plan.

In October 2025, internal safety reviews and workplace inspections were undertaken across Shire operations. These reviews considered previous audit findings, insurer recommendations and internal safety observations.

The findings were referred to the Executive Management Team for prioritisation and corrective action.

This report provides a subsequent update on safety performance and progress against the corrective actions. The 2024 LGIS assessment and the 2025 internal safety audit are separate sources of improvement actions. The completion figures in this report relate specifically to the 35 actions arising from the 2025 internal audit.

COMMENTS

The quarterly workplace health and safety update provides an overview of safety performance and progress against previously identified improvement actions.

Work during the reporting period continued to focus on incident reporting, safety training, fleet safety and the implementation of corrective actions. Progress has been made, with outstanding matters remaining subject to management oversight and ongoing reporting to the Audit, Risk and Improvement Committee.

Management will continue to monitor outstanding actions, review the effectiveness of controls and identify any matters requiring additional resources or further decisions.

The confidential supplement provides the supporting performance information, detailed findings and status of corrective actions for the Committee's consideration.

This report is provided for noting as part of the ongoing reporting arrangements following the previous consideration of these matters.

STATUTORY IMPLICATIONS

Work Health and Safety Act 2020
Section 19 requires the Shire to ensure, so far as is reasonably practicable, the health and safety of workers while at work.

Section 27 requires officers to exercise due diligence to ensure the Shire complies with its WHS duties and obligations.

Work Health and Safety (General) Regulations 2022
Regulations 34 to 38 require workplace hazards to be identified, risks to be managed, control measures to be maintained and control measures to be reviewed.

Regulations 203, 213, 214, 215 and 219 are relevant to the reported matters concerning plant, mobile plant, plant maintenance and plant used to lift or suspend loads.

Regulations 420, 422, 425, 426, 427 and 429 are relevant to the reported matters concerning asbestos exposure, asbestos identification, asbestos registers and asbestos management plans.

Local Government (Audit) Regulations 1996 (WA)
Regulation 16 is relevant to the Committee's role in reviewing reports and recommending improvements relating to risk management, internal control and legislative compliance.

POLICY IMPLICATIONS

Management to review relevant workplace health and safety policies, procedures and operational controls to confirm they adequately address the identified corrective actions. Council policy changes should only be proposed where Council-level policy direction is required.

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033:*

Focus Areas: Liveabilty & Connection

Goal 1: Safe communities - A community where we all feel safe

Goal Outcome 1.2: Safe Physical Environment - People feel safe on the streets and in public areas and can engage in healthy vibrant active lives

Strategy 1.1: The Shire will work to improve the distribution and awareness of information and resources on safety and crime prevention

RISK IMPLICATIONS

Risk: Failure to create and maintain an organisational culture which promotes a safe and positive work environment, fosters employee satisfaction, motivates employees to perform and increases organisational effectiveness.

Risk: Failure to manage and implement an effective, forward planned capital works program which meets the safety and functional requirements of the community.

Control: Control: Management review of identified control weaknesses, workplace health and safety action tracking, MYOSH reporting, corrective action close-out, Executive Management Team oversight and periodic reporting to the Audit, Risk and Improvement Committee.

FINANCIAL IMPLICATIONS

Financial implications will depend on the corrective actions required. Any additional expenditure will be considered through the annual budget, budget review process or a separate Council decision, as applicable.

Current and Future Asset Considerations

Plant, fleet and facility asset management processes will support inspection, servicing, maintenance, operational safety and provide reliable records. Any future plant or fleet decisions must consider workplace health and safety risk controls relevant to the intended use, operating environment, maintenance requirements, operator competency and manufacturer requirements.

COMMUNITY ENGAGEMENT

No community engagement required.

ATTACHMENTS

1. Confidential - Quarterly Safety Report - 30 September [**5.1.1.**]

5.2. USE OF DELEGATED AUTHORITY

AUTHOR	Coordinator Finance
RESPONSIBLE OFFICER:	Liam Moore, Chief Financial Officer
FILE NO:	PL.02.05
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Regulator - enforce state legislation and local laws
VOTING REQUIREMENT:	Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That Council notes the report relating to the exercise of Delegation 1.2.26 – Defer, Grant Discounts, Waive or Write Off Debts for the period 1 July 2026 to 31 October 2026.

PURPOSE

To inform the Audit Risk and Improvement Committee of the exercise of delegated authority under Delegation 1.2.26 – Defer, Grant Discounts, Waive or Write Off Debts for the period from 1 July 2026 to 31 October 2026.

BACKGROUND / PREVIOUS CONSIDERATIONS BY COUNCIL OR COMMITTEE

In accordance with section 6.12(1)(b) and 6.12(1)(c) of the *Local Government Act 1995,* the Chief Executive Officer, Director Corporate Services, and Manager Finance are delegates under Delegation 1.2.26. This delegation allows delegates to waive debts, grant concessions, and write off monies owed to the Shire. Fees and charges may be waived where necessary to rectify an error or to assist a not-for-profit community group or charitable entity in fulfilling a social, cultural or community service within the district.

Delegation 1.2.26 can be used to waive or write off a maximum of $2,000 per individual debt or customer per year. The exercise of this delegation is required to be reported to the Audit Risk and Improvement Committee.

COMMENTS

In accordance with Delegation 1.2.26 of the Shire's Delegation Register, delegated authority was exercised during the period 1 July 2026 to 31 October 2026 in relation to the waiver of fees and charges and the write-off of minor amounts.

During the reporting period, the Manager Finance approved the waiver of admission fees totalling $212 for a not-for-profit organisation function and the Manager Finance exercised delegated authority to write off minor rates-related amounts across rates assessments. The total value of waivers and write-offs approved during the period was $4,859.12.

All waivers and write-offs were approved within the applicable delegated financial limits and in accordance with the conditions contained within applicable delegations listed in REG-1001 Delegations Register.
The rates-related write-offs comprised minor amounts relating to rates, interest, instalment fees and administration fees. These write-offs were associated with ownership transfer adjustments, ESL

interest reversal, instalment and administration fee reversals where properties were paid in full by the due date, interest reversal for a non-rateable property, and clerical correction.

In accordance with SWEK Community Grant Program Policy POL-3302 with CEO sign off, delegated authority was exercised during the period 1 July 2026 to 31 October 2026 in relation to the exemption of rates under the Shire's Rates Exemptions for Charitable Organisations Policy (CP/FN-3208). The total of the exemptions granted for the reporting period was $36,918.90. The expected total exemptions projected for the current financial year is $79,050. While these exemptions do not constitute the exercise of delegated authority for debt write-offs or waivers, they have been included in this report for information purposes and to promote transparency in the Shire's financial reporting.

STATUTORY IMPLICATIONS

Local Government Act 1995 (WA)

- Section 6.12(1)(b) and section 6.12(1)(c) of the provide that a local government may waive, grant concessions in relation to, or write off amounts of money owed to the local government, subject to section 6.12(2) and any other written law.

- Section 6.12(2) provides that section 6.12(1)(a) and section 6.12(1)(b) do not apply to an amount owing in respect of rates and service charges. Accordingly, rates and service charge amounts are treated as write-offs under section 6.12(1)(c).

- Section 5.44(1) allows the CEO to sub-delegate powers and duties to other employees.

- Section 5.46(3) requires delegates to keep records in accordance with the regulations when exercising delegated powers or duties.

Local Government (Administration) Regulations 1996 (WA)

- Regulation 19 prescribes the recordkeeping requirements for the exercise of delegated authority.

POLICY IMPLICATIONS

POL-2020 Waiver of Fees and Charges applies to the fee waiver recorded in Attachment 2 and provides the policy framework for the assessment, approval, documentation, recordkeeping and reporting of fee waivers and reductions.

POL-2016 Financial Hardship – Rates and Sundry Debtors and POL-2007 Rates and Charges Debt Collection are relevant to the broader rates, sundry debtor and debt recovery framework.

Policy Reviews and Updates
As part of the Shire's ongoing review of financial management policies, the following policies were reviewed and subsequently adopted by Council on 26 May 2026:

POL-2007 Rates and Charges Debt Collection – Version 7.0
The policy was updated to streamline debt recovery procedures and strengthen legislative compliance. Key amendments include the removal of prescriptive debt recovery timelines, greater flexibility in payment arrangements, clarification of instalment and interest requirements, and alignment of debt write-off provisions with current delegations. The revised policy also strengthens consideration of financial hardship when managing outstanding debts.

POL-2016 Financial Hardship – Rates and Sundry Debtors – Version 2.0
The policy was updated to provide clearer guidance on assessing financial hardship applications and administering financial assistance. Key amendments include expanded hardship eligibility criteria, clarification of legislative requirements for waivers and concessions, improved payment arrangement procedures, strengthened privacy and confidentiality provisions, and the introduction of a formal internal review process. The revised policy also introduces de-identified reporting of financial hardship applications to the Audit, Risk and Improvement Committee at least annually.

These updates strengthen the Shire's financial governance framework by promoting consistent decision-making, appropriate use of delegated authority and effective debt recovery practices while ensuring equitable treatment of ratepayers and sundry debtors.

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033:*

Focus Area: SUSTAINABILITY

Goal 10: Community-driven Leadership - Leaders work with the community to develop and implement change in delivering positive outcomes

Goal Outcome 10.3: Advocacy - Strong and consistent advocacy for local needs and priorities
Strategy 10.4: Integrate all planning and resource management to drive continuous improvement and innovation

RISK IMPLICATIONS

Risk: Failure to manage the appropriateness and effectiveness of the Shire's systems and procedures in relation to risk management, internal control and legislative compliance.

Control: Delegated authority enables prompt and cost-effective resolution of minor debtor issues, preserving resources for larger recoveries and supporting fair community outcomes. Reporting the exercise of Delegation 1.2.26 to the Audit Risk and Improvement Committee provides oversight of compliance with delegation limits, policy requirements and recordkeeping obligations.

FINANCIAL IMPLICATIONS

A total of $5,071.12 was waived or written-off under Delegation 1.2.26 during the period of 1 July 2026 to 31 October 2026. These include minor charges added during the year, such as interest and admission fee corrections.

Current and Future Asset Considerations

Nil

COMMUNITY ENGAGEMENT

No community engagement is required.

ATTACHMENTS

1. Confidential - Write Off Register - Rates Jul- Oct 26 [**5.2.1.**]
2. Confidential - Write Off Register - Debtors Jul - Oct 26 [**5.2.2.**]
3. Confidential - Write Off Register - Rates Exemption Grants [**5.2.3.**]

5.3. QUARTERLY FINANCIAL REPORT

AUTHOR:	Chief Financial Officer
RESPONSIBLE OFFICER:	Liam Moore, Chief Financial Officer
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Regulator - enforce state legislation and local laws
VOTING REQUIREMENT:	Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That the Audit, Risk and Improvement Committee recommends that Council receives the Quarterly Financial Report for the period ended 30 September

PURPOSE

To present the Audit, Risk and Improvement Committee with the Shire's unaudited Quarterly Financial Report for the period ended 30 September 2026. The report provides detailed management analysis of financial performance, material variances and emerging risks to deepen the Committee's understanding of the Shire's financial health and support its oversight of financial sustainability, infrastructure investment and performance against budget.

BACKGROUND / PREVIOUS CONSIDERATIONS BY COUNCIL OR COMMITTEE

Quarterly financial reporting is a mechanism to provide transparency and oversight of the Shire's financial position, performance against budget, and management of material variances.

Regular review supports early identification of risks or emerging financial issues.

COMMENTS

The Quarterly Financial Statements are unaudited and remain subject to adjustment.

The Quarterly Financial Report includes:

- Statement of Financial Activity for the quarter;
- Financial trend analysis;
- Financial ratio analysis;
- Statement of Financial Position; and
- Commentary on significant financial risks and emerging issues.

During the first quarter of the 2026–27 financial year:
Operating income totalled $20.60 million against a year-to-date budget of $19.54 million, a favourable variance of $1.05 million. Fees and charges exceeded budget by $1.31 million, while interest revenue exceeded budget by $0.29 million. These favourable variances were partly offset by operating grants and contributions being $0.51 million below budget.

Operating expenditure totalled $9.36 million against a year-to-date budget of $9.96 million, a favourable variance of $0.60 million. Materials and contracts, employee costs and utility charges were below budget by $0.43 million, $0.11 million and $0.15 million respectively. Insurance expenditure exceeded the year-to-date budget by $0.36 million. Expenditure timing remains a significant consideration, and current underspending should not be interpreted as a full year saving.

Capital expenditure totalled $4.02 million against a year to date budget of $20.04 million. Progressing the capital works programme and monitoring associated funding, commitments and delivery schedules will be priorities for subsequent quarters.

Cash and cash equivalents totalled $69.47 million at 30 September 2026, an increase of approximately $0.23 million from the opening balance. A substantial portion supports reserves and committed projects and is therefore unavailable for general discretionary expenditure.

The reported operating profit margin before depreciation was 65%, compared with 66% in September 2025. The own source revenue ratio increased from 91% to 93%, while rates coverage decreased slightly from 67% to 66%. Annual rates recognised in July strengthen first-quarter results, meaning these indicators should not be extrapolated to the full financial year.

Overall, the first quarter results show operating income above budget and operating expenditure below budget. Continued oversight of capital delivery, expenditure timing, committed cash balances and recurrent revenue will remain important to the Shire's financial sustainability.

STATUTORY IMPLICATIONS

Regulation 34 of the *Local Government (Financial Management) Regulations 1996*

Regulation 16 of the *Local Government (Audit) Regulations 1996*

POLICY IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033:*

Focus Area: SUSTAINABILITY

Goal 10: Community-driven Leadership - Leaders work with the community to develop and implement change in delivering positive outcomes

Goal Outcome 10.4: Innovation - Embrace technology, creativity, and innovation to solve complex problems

Strategy 10.4: Integrate all planning and resource management to drive continuous improvement and innovation

RISK IMPLICATIONS

Risk: Failure to manage the disbursement of funds to meet the needs of the Shires forward planning requirements, including the Strategic Community Plan, Corporate Business Plan, Long Term Financial Plans and Annual Budget.

Control: Monthly, Quarterly and Annual finance reports. Department specific Budget to Actual reports. Emerging issues flagged in this quarter include advance grant receipt timing and the continued gap between asset depreciation and renewal expenditure.

FINANCIAL IMPLICATIONS

The report presents the Shire's unaudited financial position and performance for the first quarter of the 2026–27 financial year, ended 30 September 2026.

Operating income and operating expenditure recorded favourable year-to-date budget variances of approximately $1.05 million and $0.60 million respectively. Capital expenditure was approximately $16.03 million below the year to date budget, highlighting the importance of monitoring project delivery schedules and associated funding requirements.

At 30 September 2026, cash and cash equivalents totalled $69.47 million and net assets totalled $391.21 million. Cash balances must be considered alongside reserve restrictions, project commitments and other liabilities.

Receipt of this report does not authorise additional expenditure or amend the adopted budget. The reported figures remain subject to reconciliation and subsequent accounting and audit adjustments.

Current and Future Asset Considerations

Capital expenditure totalled $4.02 million against a year-to-date budget of $20.04 million. Continued focus on capital delivery and long term renewal planning is required, including consideration of future maintenance and operating costs associated with new assets.

COMMUNITY ENGAGEMENT

No community engagement is required.

ATTACHMENTS

1. Confidential - September Quarterly Financial Report [**5.3.1.**]

5.4. AUDIT REGULATION 17 AND FINANCIAL MANAGEMENT REGULATION 5(2)(C) REPORT

AUTHOR:	Manager Finance
RESPONSIBLE OFFICER:	Vernon Lawrence, Chief Executive Officer
FILE NO:	CM.01.1
DISCLOSURE OF INTERESTS:	Nil
COUNCIL'S ROLE IN THE MATTER:	Regulator - enforce state legislation and local laws
VOTING REQUIREMENT:	Simple Majority

OFFICER'S RECOMMENDATION

That the Committee recommends to Council:

That Council notes the management progress updates as per confidential attachments 1 & 2 on actions arising from the 2025 statutory compliance reviews undertaken in accordance with Regulation 17 of the *Local Government (Audit) Regulation 1996* and Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*.

PURPOSE

The purpose of this report is to update the Audit Risk and Improvement Committee on the Shire's progress in addressing findings from the 2025 statutory compliance reviews conducted in accordance with:

- Regulation 17 of the *Local Government (Audit) Regulations 1996*, which requires a review of the appropriateness and effectiveness of financial management, legislative compliance and risk management systems and procedures.

- Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*, which requires a review of the appropriateness and effectiveness of financial management systems and procedures.

This progress report outlines the status of implementation activities, timelines, and key developments. It supports the Audit Risk and Improvement Committee's oversight function and demonstrates improvements made to ensure the Shire meets its legislative obligations.

BACKGROUND / PREVIOUS CONSIDERATIONS BY COUNCIL OR COMMITTEE

The Shire engaged Stantons International to undertake statutory compliance reviews under:

- Regulation 17 of the *Local Government (Audit) Regulations 1996*.
- Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*.

The findings and recommendations arising from these reviews were presented at the Audit (Finance and Risk) Committee (now known as at Audit, Risk and Improvement Committee) meeting held on 4 March 2025. Following consideration by the Audit Risk and Improvement Committee (ARIC), Council adopted the Committee's recommendations at the Ordinary Council Meeting held 25 March 2025 (Resolution 0303/2025).

Progress reports on the implementation of the audit recommendations have been presented to the ARIC at each subsequent meeting to ensure ongoing oversight and monitoring of progress.

COMMENTS

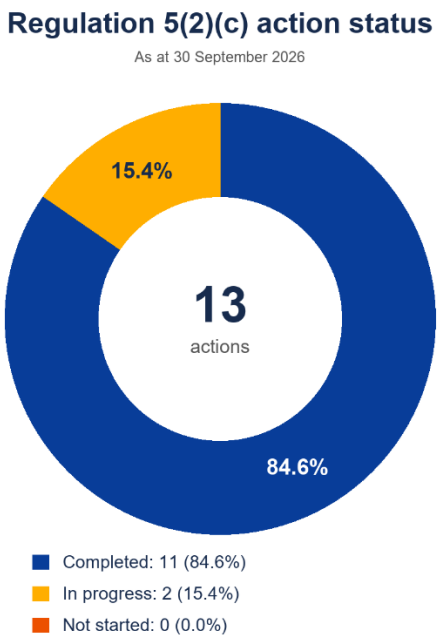
The Shire has commenced the implementation of actions arising from the statutory compliance reviews. These actions aim to strengthen legislative compliance, and improve governance, internal control processes, and the effectiveness of financial management systems.

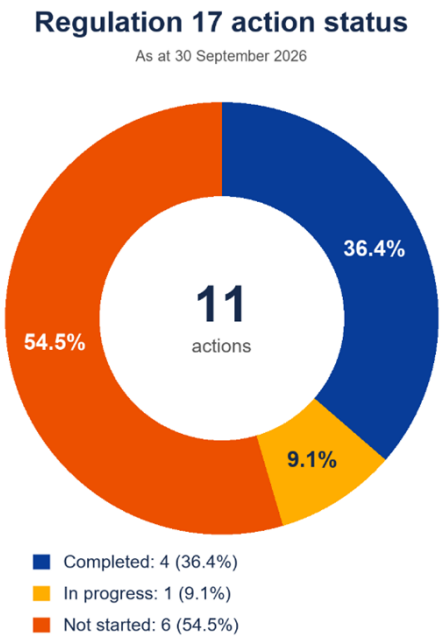
Implementation efforts to date include:

- Reviewing and updating key operational policies and procedures.
- Updating internal controls, particularly in relation to asset management and system access.
- Integrating compliance improvements into broader organisational reform and improvement initiatives.

Several actions have been completed, while others are scheduled for implementation in future reporting periods, depending on available resources and alignment with related projects. Some recommendations have been incorporated into existing strategic initiatives to maximise efficiency and minimise duplication.

This progress report demonstrates the Shire's commitment to good governance and continuous improvement. A detailed status update for each action item, including responsible officers and revised timelines, is provided in Confidential Attachment 7.1.





STATUTORY IMPLICATIONS

Regulation 17 of the *Local Government (Audit) Regulations 1996*
Regulation 5 of the *Local Government (Financial Management) Regulations 1996*

POLICY IMPLICATIONS

The Following Policies are relevant to this report:

- POL-1005 Code of Conduct for Elected Members & Candidates
- POL-1011 Risk and Opportunity Management
- POL-2009 Sundry Debt Collection
- POL-2014 Information Management & ICT Acceptable Use
- REG-1001 Delegations Register.

STRATEGIC IMPLICATIONS

This matter relates to the following sections of the *Strategic Community Plan 2023-2033:*

Focus Area: SUSTAINABILITY

Goal 10: Community-driven Leadership - Leaders work with the community to develop and implement change in delivering positive outcomes

Goal Outcome 10.4: Innovation - Embrace technology, creativity and innovation to solve complex problems

Strategy 10.4: Integrate all planning and resource management to drive continuous improvement and innovation

RISK IMPLICATIONS

Risk: Failure to manage the appropriateness and effectiveness of the Shire's systems and procedures in relation to financial management, risk management, internal control and legislative compliance.

Control: Review policies and procedures in accordance with relevant statutory requirements and identified risk priorities, complete the statutory compliance review under Audit Regulation 17 and Financial Management Regulation 5(2)(c), implement the recommendations as part of our commitment to continuous improvement.

FINANCIAL IMPLICATIONS

The cost of Stantons the review and the preparation of the report was $27,720 excl. GST.

CURRENT AND FUTURE ASSET CONSIDERATIONS

Asset Management: The absence of a formal process for asset acquisition, disposal, and stock take increases the risk of financial mismanagement.

Financial Systems: The SynergySoft system requires better alignment with delegations and more controlled access to payroll and finance data.

COMMUNITY ENGAGEMENT

No community engagement is required.

ATTACHMENTS

1. Confidential - Regulation 17 Progress Tracker Report [**5.4.1.**]
2. Confidential - Regulation 5(2)(C) Progress Tracker Report [**5.4.2.**]

6. MATTERS FOR WHICH THE MEETING MAY BE CLOSED TO THE PUBLIC

7. CLOSURE