THREE SPRINGS SHIRE COUNCIL

Heart of North Midlands

MINUTES
FOR THE
AUDIT, RISK AND
IMPROVEMENT COMMITTEE
OF COUNCIL
MEETING
TO BE HELD ON
WEDNESDAY
22 APRIL 2026 @ 5.00PM

WILDFLOWER COUNTRY

Shire of Three Springs
PO Box 117, Three Springs
WA 6519

Disclosure of Interest Form

(Elected Members/Committee Members/Employees/Contractors)

Local Government Act 1995 (Section 5.65, 5.70 & 5.71)

To: Chief Executive Officer

- ☐ **Ordinary Council Meeting held on** ______________________
- ☐ **Special Council Meeting held on** ______________________
- ☐ **Committee Meeting held on** ______________________
- ☐ **Other** ______________________

Report No ______________________

Report Title ______________________

Name ______________________

☐ **Elected Member** ☐ **Committee** ☐ **Employee** ☐ **Contractor**

Type of Interest *(*see overleaf for further information)*

☐ **Proximity** ☐ **Financial** ☐ **Impartiality**

Nature of Interest

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Extent of Interest (if intending to seek Council approval to be involved with debate and/or vote)

____

____

Name:______________________ **Signed:**______________________ **Date:** ______________________

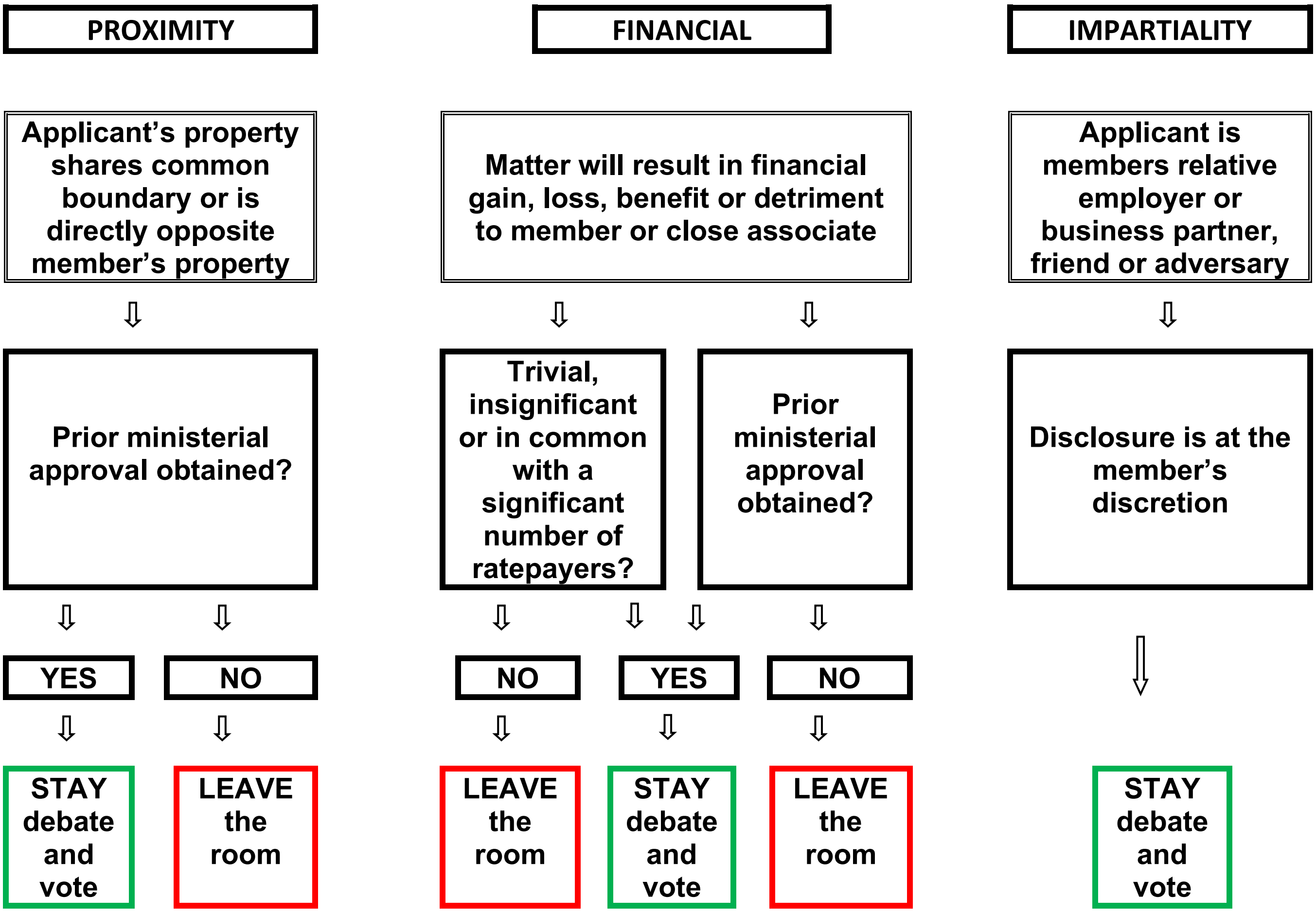
Note 1: For <u>Ordinary meetings of Council</u>, elected members and employees are requested to submit this completed form to the Chief Executive Officer prior to the meeting. Where this is not practicable, disclosure(s) must be given to the Chief Executive Officer prior to the matter being discussed.

Note 2: Employees or Contractors disclosing an interest in <u>any matter apart from at meetings</u>, where there is a conflict of interest including disclosures required by s5.71 are required to submit this form to the CEO as soon as practicable.

OFFICE USE ONLY

CEO: ______________________ **Signed:** ______________________ **Date:** ______________________

* Declaring an Interest



***Local Government Act 1995* - Extract**

5.65 - Members' interests in matters to be discussed at meetings to be disclosed.

(1) A member who has an interest in any matter to be discussed at a council or committee meeting that will be attended by the member must disclose the nature of the interest:

(a) in a written notice given to the CEO before the meeting; or (b) at the meeting immediately before the matter is discussed. (Penalties apply).

(2) It is a defence to a prosecution under this section if the member proves that he or she did not know:

(a) that he or she had an interest in the matter; or (b) that the matter in which he or she had an interest would be discussed at the meeting.

(3)This section does not apply to a person who is a member of a committee referred to in section 5.9(2)(f).

5.70 - Employees to disclose interests relating to advice or reports.

(1) In this section: 'employee' includes a person who, under a contract for services with the local government, provides advice or a report on a matter.

(2) An employee who has an interest in any matter in respect of which the employee is providing advice or a report directly to the council or a committee must disclose the nature of the interest when giving the advice or report.

(3) An employee who discloses an interest under this section must, if required to do so by the council or committee, as the case may be, disclose the extent of the interest. (Penalties apply).

5.71 - Employees to disclose interests relating to delegated functions.

If, under Division 4, an employee has been delegated a power or duty relating to a matter and the employee has an interest in the matter, the employee must not exercise the power or discharge the duty and:

(a) in the case of the CEO, must disclose to the mayor or president the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter; and (b) in the case of any other employee, must disclose to the CEO the nature of the interest as soon as practicable after becoming aware that he or she has the interest in the matter. (Penalties apply)

***'Local Government (Administration) Regulations 1996* – Extract**

In this clause and in accordance with Regulation 34C of the Local Government (Administration) Regulations 1996:

"Interest" means an interest that could, or could reasonably be perceived to, adversely affect the impartiality of the person having the interest and includes an interest arising from kinship, friendship or membership of an association.

SHIRE OF THREE SPRINGS
AGENDA OF THE AUDIT, RISK and IMPROVEMENT COMMITTEE MEETING
HELD IN THE COUNCIL CHAMBERS, THREE SPRINGS
ON WEDNESDAY 22 APRIL 2026

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MINUTES

1. DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS

The Shire President declared the meeting open at 5.03 pm

Acknowledgement of Country:-

The Shire of Three Springs acknowledges the traditional owners of this land – the Southern Yamatji people, and their continuing connection to land, water and community. We pay our respects to them and their cultures, and to elders both past, present and emerging.

2. RECORD OF ATTENDANCE/APOLOGIES/APPROVED LEAVE OF ABSENCE

	Attendance	**Approved Leave of Absence**	**Absent**
Councillor Eva	**Present**		
Councillor Mutter	**Present**		
Councillor Ennor	**Present**		
Councillor Connaughton	**Present**		
Temporary Chief Executive Officer	**Present**		
Deputy Chief Executive Officer	**Present**		
Manager of Infrastructure	**Present**		
Executive Secretary	**Present**		
Risk Coordinator	**Present**		
Community Development Officer	**Present**		
Gallery			
Councillor Trant			
Councillor Burnett			
Councillor Young			

3. RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

4. PUBLIC QUESTION TIME

Nil

5. APPLICATIONS FOR LEAVE OF ABSENCE

Nil

6. CONFIRMATION OF PREVIOUS MEETING MINUTES

Nil

7. ANNOUNCEMENTS BY PRESIDING PERSON WITHOUT DISCUSSION

Nil

8. ANNOUNCEMENTS/REPORTS OF ELECTED MEMBERS

Nil

9. PETITIONS / DEPUTATIONS / PRESENTATIONS / SUBMISSIONS

Nil

10. REPORTS OF OFFICERS

Executive Services	
10.1 2025 Regulation 17 Review and 2025 Financial Management Systems Review – Consideration of Reports and Findings	
Agenda Reference:	Deputy CEO
Location/Address:	Shire of Three Springs
Name of Applicant:	DCEO
File Reference:	ADM0081
Disclosure of Interest:	Nil
Date:	22 April 2026
Author:	Krys East, Deputy Chief Executive Officer
Attachment (s):	1. 2025 Financial System Review Report 2. 2025 Regulation 17 Report

Council Role:

☐	Advocacy	When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.
■	Executive	The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.
☐	Legislative	Includes adopting local laws, local planning schemes and policies.
☐	Review	When Council reviews decisions made by Officers.
☐	Quasi-judicial	When Council determines an application/matter that directly affects a person's rights and interests. The judicial character arises from the obligation to abide by the principles of natural justice e.g. local planning applications, building permits, other permits/licences (e.g. under Health Act, Dog Act or local laws) and other decisions that may be appealable to the State Administrative Tribunal (SAT).

Report Purpose:
The purpose of this report is for the Audit, Risk and Improvement Committee to receive and consider the 2025 Regulation 17 Review and the 2025 Financial Management Systems Review (FMSR), to note the findings and recommendations contained within those reports, and to consider the proposed consolidated implementation action plan.

Background:
Under Regulation 17 of the Local Government (Audit) Regulations 1996, the CEO is required to review the appropriateness and effectiveness of its risk management, internal controls and legislative compliance systems.

Similarly, Regulation 5(1) of the *Local Government (Financial Management) Regulations 1996* requires the CEO to review the adequacy and effectiveness of the Shire's financial management systems and procedures.

Both reviews were conducted by AMD Chartered Accountants and site work was undertaken during the week ending 23 January 2026. The reports are dated 24 February 2026 and relate to the period ended 31 October 2025.

Officer's Comment:

Regulation 17 Review

The Regulation 17 Review identified eight (8) new Moderate Risk findings and no Extreme or high risk findings.

The findings relate to:

Risk Management

- Several policies and strategic documents were identified as either absent or potentially out of date, including the Risk Management Plan, Contract Management Framework and Working from Home Policy. Individual risk registers exist, but there is no consolidated corporate risk register.
- The Business Continuity Plan has not been formally tested and is dated 2020.
- Lease register missing key information (start/end dates, lease amounts, review dates, insurance requirements).

Internal Controls

- Strengthening required for journal reviews and statutory returns (including BAS review evidence).
- No grant register in place.

Legislative Compliance

- Audit, Risk and Improvement Committee Charter does not expressly include oversight of the risk management framework.
- Audit, Risk and Improvement Committee meeting minutes not published on the website and not confirmed at subsequent meetings, and did not include formal review of risk and compliance matters.

Management comments within the report indicate that all matters have been noted and will be actioned.

Financial Management Systems Review

The FMSR concluded that overall, the Shire's financial management systems are appropriate and generally operating effectively, subject to identified enhancements being addressed.

The review identified **five (5) Moderate Risk findings** and no compliance breaches or Extreme/High risk findings

Key findings include:

Information Technology (IT) Governance (High Impact Area)

- Absence of several IT governance documents including:
- Information and Communications Technology (ICT) Strategic Plan
- Acceptable Use Policy
- Bring Your Own Device Policy
- Cyber Security Policy and Response Plan
- IT Risk Register
- IT security not included in employee induction.
- Business Continuity Plan requires updating.

Governance and Financial Controls

- Absence of a formal post-tender performance evaluation process.
- Ensure credit card governance documentation is complete and current.
- Building access codes are not deactivated upon termination.
- No Disciplinary/Resolution Policy.
- Allocation rates (Public Works Overhead/Plant Operating Costs) require updating.

The FMSR did not identify issues in relation to:

- Collection of money
- Custody and security of money
- Accounting for municipal or trust transactions
- Preparation of budgets and financial reports

The reviews provide independent assurance over key governance pillars:

- Risk Management Framework
- Internal Controls
- Financial Management Systems
- Legislative Compliance
- IT Governance

Importantly:

- No Extreme or high-risk issues were identified under Regulation 17.
- No compliance breaches were identified in the FMSR.
- The majority of findings relate to documentation gaps, formalisation of processes, and strengthening governance oversight rather than systemic control failures.

A number of the findings align with known improvement areas, particularly:

- Consolidation of risk registers.
- Formalisation of IT governance.
- Updating of legacy strategic and operational documents.
- Formalisation of post-tender performance evaluation.
- Strengthening Audit**,** Risk and Improvement Committee governance processes (agenda structure and minute confirmation/publication).

Given the current leadership transition and recruitment of new senior staff, implementation planning and prioritisation will be required to ensure staged but structured remediation.

It is proposed that:

1. A consolidated Action Plan be developed incorporating all recommendations from both reports.
2. Actions be categorised into:
    - Governance & Policy Updates
    - Risk Management Framework
    - IT Governance & Cyber Security
    - Financial Controls & Registers
3. Responsible Officers and target completion dates be assigned.
4. Progress be reported to each Audit, Risk and Improvement Committee meeting until all items are finalised.
5. Audit, Risk and Improvement Committee Charter be reviewed and amended as a priority to incorporate:
    - Explicit oversight of the risk management framework; and
    - Regular review of compliance and risk reporting.

Consultation:
Mark Dacombe - SoTS Temporary Chief Executive Officer

Statutory Environment:

- Local Government Act 1995
- Local Government (Audit) Regulations 1996 – Regulation 17
- Local Government (Financial Management) Regulations 1996 – Regulation 5(1)
- Local Government (Administration) Regulations 1996

Policy Implications:
Endorsement of the implementation register will initiate the development and review of several governance and operational policies, including risk management documentation, IT governance policies and amendments to the Audit, Risk and Improvement Committee Charter. The agenda item itself does not amend policy but establishes the framework for structured policy improvement.

Financial/Resources Implications:
There are no immediate financial implications arising from the receipt of the reports. Some actions, particularly in the IT governance space, may require resource allocation in future budgets.

Strategic Implications:
Implementation of the recommendations supports the Shire's strategic objectives relating to good governance, financial sustainability and organisational capability. The actions will strengthen risk oversight, improve cyber security governance and enhance organisational resilience.

The overall strategic impact is one of governance uplift rather than corrective remediation.

Voting Requirements:
Simple Majority

012/2026	**OFFICER'S RECOMMENDATION and AUDIT, RISK & IMPROVEMENT COMMITTEE RESOLUTION**	**10.1**

MOVED: Cr. Connaughton
SECONDED: Cr. Mutter

That the Audit, Risk and Improvement Committee:

1. Receives the 2025 Regulation 17 Review Report.
2. Receives the 2025 Financial Management Systems Review Report.
3. Notes the findings and recommendations contained within both reports.
4. Requests the Chief Executive Officer to prepare a consolidated implementation action plan for presentation at the next Audit, Risk and Improvement Committee meeting.
5. Recommends that Council note the reports and endorse the implementation plan once presented.

	FOR	AGAINST
Cr. Eva (President)	✓	
Cr. Mutter (Deputy President)	✓	
Cr. Ennor	✓	
Cr. Connaughton	✓	

CARRIED:
VOTED: 4/0

11. TIME AND DATE OF NEXT MEETING

The date and time of the next Audit Committee are to be confirmed.

MEETING CLOSURE

There being no further business the Presiding Officer closed the meeting at 5.17pm.

I confirm these Minutes to be a true and accurate record of the proceedings of this Committee

Signed: ______________________________________

Presiding Officer

Date: 27 May 2026