

SHIRE OF LEONORA



**MINUTES OF THE AUDIT, RISK AND IMPROVEMENT
COMMITTEE MEETING
HELD IN COUNCIL CHAMBERS, LEONORA
ON FRIDAY 12TH DECEMBER, 2025
COMMENCING AT 9:40AM.**

SHIRE OF LEONORA
ORDER OF BUSINESS FOR MEETING HELD
FRIDAY 12TH DECEMBER, 2025.

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1.0 DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS / FINANCIAL INTEREST DISCLOSURES

1.1 The Shire President, Cr PJ Craig declared the meeting open at 9:40am.

1.2 Visitors or members of the public in attendance

Nil

1.3 Financial/Other Interest Disclosures

Nil

2.0 RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE

2.1 Attendance

President (Chairperson)

Deputy President

Councillors

PJ Craig

RA Norrie

F Harris

AE Taylor

TM Nardone

CA Cotterill

NF Sprigg dos Santos

Chief Executive Officer

TD Matson

Manager Business Services

KJ Lord

Manager Community Services

AW Baxter

Executive Assistant (Minutes)

SC Watene

Visitors

Nil

2.2 Apologies

Nil

2.3 Leave of Absence

Nil

2.4 Applications for Leave of Absence

Nil

Signed: 17 MARCH 2026

President: _____

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES

12 DECEMBER 2025

3.0 CONFIRMATION OF MINUTES FROM PREVIOUS MEETING

COMMITTEE DECISION

Moved: Cr RA Norrie

Seconded: Cr AE Taylor

That the minutes of the Audit, Risk and Improvement Committee Meeting held on 19 September, 2025 be confirmed.

CARRIED (7 VOTES TO 0)

*For; Cr PJ Craig, Cr RA Norrie, Cr F Harris, Cr AE Taylor,
Cr TM Nardone, Cr CA Cotterill, Cr NF Sprigg dos Santos*

4.0 REPORTS**4.1 CHIEF EXECUTIVE OFFICER REPORTS****10.1.(A) QUARTERLY RISK MANAGEMENT UPDATES - DECEMBER 2025**

SUBMISSION TO: Audit, Risk and Improvement Committee Meeting
Meeting Date: 12th December 2025

AGENDA REFERENCE: 4.1.(A) DEC 25

SUBJECT: Quarterly Risk Management Updates - December 2025

LOCATION/ADDRESS: Leonora

NAME OF APPLICANT: Shire of Leonora

FILE REFERENCE: 1.10 - Audits - Reports and Minutes

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: Ty Matson

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 24th November 2025

SUPPORTING DOCUMENTS:

1. Leonora Risk Register December 2025
2. December 2025 Risk Update

BACKGROUND

From July 2025, internal audit functions, including the management and reporting of risks, have been undertaken by internal staff rather than external consultants. This shift was driven by an increased focus on risk management and governance by the administration.

The management of risk by the executive team, rather than external consultants, represents a natural progression in assigning risks to specific positions for subsequent management and, where possible, treatment of those risks.

The Shire's Risk Management Strategy, previously reviewed by the Audit and Risk Committee, and the Shire's Risk Management Policy (previously adopted by Council) align with AS/NZS ISO 31000:2018 Risk Management Guidelines. The Risk Management Strategy is developed using the principles, framework, and process outlined in the standard, considers the context of the Shire, and conforms to the standard's requirements by providing necessary guidance and direction for the Shire's risk management activities, in alignment with the Risk Management Policy.

Risk assessment and management now form an integral part of the decision-making process for all decisions. This shift from a quarterly review of risks allows for a more agile response to the identification and treatment of emerging risks by the administration.

Oversight and direction from the Audit, Risk and Improvement Committee remain an important and legislated step in the Shire's risk management framework.

COMMENT:

The Risk Register has been comprehensively reviewed.

A significant amount of risk has been reduced with the introduction of the Council First System and the introduction of processes and procedures. Whilst risk has been reduced more work needs to be undertaken across the board to ensure systems and processes are correctly undertaken.

The two remaining high-risk categories that need treatment relate to Business Continuity Plans. This work is being undertaken but was on hold pending Council First as the plans need to be specific to the Shire's operating environment.

Risk Category	High Pre Treatment	High Residual Risk Post Treatment
Performance	2	0
Environmental	0	0
Reputational Damage	1	0
Financial	5	0
Service Delivery / Business Interruption	3	2
Legislative / Regulatory / Policy/ Work, Health & Safety	5	0

CONSULTATION

No consultation was required.

STATUTORY ENVIRONMENT

Regulation 17.1 of the *Local Government (Audit) Regulations 1996* requires the CEO to monitor the appropriateness and effectiveness of systems and procedures regarding risk management, internal controls and legislative compliance.

POLICY IMPLICATIONS

The Risk Management Policy outlines the Shire's commitment and approach to managing risks impacting on day-to-day operations and the delivery of strategic objectives.

FINANCIAL IMPLICATIONS

Significant savings and improvements to risk management have resulted from moving inhouse.

RISK ASSESSMENT

This item has been evaluated against the Shire's Risk Management Strategy, Risk Assessment Matrix. The perceived level of risk is high prior to treatment. The progression of risk management activities aligned with the Risk Management Strategy will reduce the risk to medium.

STRATEGIC IMPLICATIONS

One of the Council's responsibilities in risk management is to ensure that risks are identified, managed, and controlled appropriately to achieve the Shire's strategic objectives and to support the allocation of funds and resources for risk treatment as required.

The Chief Executive Officer and the executive team play a key role in establishing and developing an effective risk management framework. To ensure the successful delivery of strategic planning objectives, the Risk Management Strategy requires ongoing monitoring and revision to maintain alignment with the Plan for the Future.

One role of the Audit, Risk and Improvement Committee is to monitor identified strategic, high-level risks and their treatment solutions to ensure that the community receives services delivered effectively, as outlined in the Plan for the Future.

Monitoring and reviewing activities will continue to provide evidence of the appropriateness and effectiveness of systems and procedures related to risk management, internal control, and legislative compliance, as required by the Local Government (Audit) Regulations 1996. The Risk Management Strategy also provides direction for implementing risk management activities.

Strategic references in the Shire of Leonora Council Plan 2025–2035 demonstrate connections between services and the desired outcomes and community vision for the Shire of Leonora, particularly in relation to leadership objectives, outcomes, and strategies, such as 4.1.2.4 Provide appropriate governance and leadership to the Shire and 4.2.1.3 Seek a high level of compliance in organisational practices.

RECOMMENDATIONS

That the Audit, Risk and Improvement Committee receive the summary of updates to the risk profiles, the risk register and risk profiles up to December 2025, and the above report updating risk management activities undertaken to date.

VOTING REQUIREMENT

Simple Majority

COMMITTEE DECISION

Moved: Cr TM Nardone

Seconder: Cr RA Norrie

That the Audit, Risk and Improvement Committee receive the summary of updates to the risk profiles, the risk register and risk profiles up to December 2025, and the above report updating risk management activities undertaken to date.

CARRIED (7 VOTES TO 0)

*For; Cr PJ Craig, Cr RA Norrie, Cr F Harris, Cr AE Taylor,
Cr TM Nardone, Cr CA Cotterill, Cr NF Sprigg dos Santos*

Shire of Leonora - Risk Assessment																						
Risk Context	Assessment Context	Risk Number	Risk Assessment Category	Risk Issue and Failure Modes	Risk Identified	Existing Controls	Date of initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Risk Rating	Action Required	Mitigation and Management Strategy (Possible Future Controls)	New controls implemented/ Actions taken	Date of Re-assessment / Subsequent Residual Risk Identification	Re-assessed Likelihood	Re-assessed Strategic Consequences	Re-assessed Operational Consequences	Re-assessed / Residual Risk Rating	Re-assessed / Residual Action Required	Future Actions Required to be Undertaken	Responsible Officer
Strategic	Entity Wide	1.00	Legislative / Regulatory / Policy / Workplace Health & Safety	Insufficient and/or inconsistent procedures in relation to procurement processes, including selection criteria, assessment requirements, declarations of independence of assessors, variations to contracts and review.	Lack of probity, fraud risk, financial loss, compliance breach.	Purchasing policy, Enterprise Finance Module.	1/07/2019	Likely	Major	Major	High	Prioritised action required	Review procurement processes to consider where gaps exist and address deficiencies. Develop procedures/framework to guide and direct procurement requirements for all staff.	The Purchasing Policy remains the key control measure. With the introduction of the new finance platform, the procurement processes need to be reviewed and redrafted. A additional finance FTE has been appointed to assist with the process.	1/12/2025	Unlikely	Major	Major	Medium	The new system prevents purchasing orders being approved by anyone other than the CEO or a Manager. This limits the possibility of mistakes, however new guidance material needs to be implemented.	Monitor and control implementation of updated procedures and processes. Review and update Purchasing Policy	MBS
Strategic	Entity Wide	2.00	Service Delivery/Business Interruption	Failure to prepare and plan for potential events which could interrupt the administrative operations in delivering services to the community.	Failure to adequately manage a business disruption event.		1/07/2019	Likely	Major	Major	High	Prioritised action required	Develop a Business Continuity Plan to adequately plan for possible disruption.	All records are now stored in the Cloud through a third party provider. This ensures data integrity whilst allowing administration staff to operate remotely if access to building is restricted.	1/12/2025	Unlikely	Major	Major	Medium	Planned action required	Develop processes and procedures for cloud system. Digitalise or upload all records. Develop BCP.	
Operating	Functional	3.00	Environmental Risk	Inadequate control and management of reclaimed water (for irrigation etc)	Failure to identify risks or adequately treat risks.	Agreements with Water Corporation	1/07/2019	Possible	Moderate	Moderate	Medium		Develop procedures and review schedule for the control and management of reclaimed water.	Leonora Sports ground is being resurfaced this financial year. As part of the project the current reuse and reticulation infrastructure is being replaced or repaired. Processes and training will be updated as required.	1/12/2025	Possible	Moderate	Moderate	Medium	Planned action required	Maintain procedures and review schedule for the control and management of reclaimed water. Monitor regulatory requirements for any required updates to operational procedures.	EHO Cons/MWS
Operating	Functional	4.00	Environmental Risk	Insufficient systems and controls to comply with regulatory requirements relating to liquid waste management.	Compliance breach. Failure to identify and manage environmental risks.	Waste Tracking Forms	1/07/2019	Possible	Moderate	Moderate	Medium		Establish systems/processes to monitor waste volumes for liquid waste disposal facility and regularly report this data. Consequence reassessed as moderate.	Liquid waste monitoring and tracking of volumes received to assist with licence limitations routinely being performed, and are formalised through end of month processes.	1/12/2025	Unlikely	Moderate	Moderate	Medium	Maintain Controls	Maintain systems/processes to monitor waste volumes for liquid waste disposal facility and regularly report this data.	MBS
Operating	Functional	5.00	Environmental Risk	Failure to adequately enforce conditions and manage landfill operations at unmanned landfill sites.	Internal control or compliance breach.	Waste Management Plan	1/07/2019	Possible	Moderate	Moderate	Medium		Articulate operating arrangements for waste disposal facilities. Review / develop waste management plans. Consequence reassessed as moderate.	Mobile CCTV System in place at entrance. New signage installed. Risk consequence has been reassessed as Moderate not Major. Further planning required.	1/12/2025	Possible	Moderate	Moderate	Medium	Planned action required	Articulate operating arrangements for waste disposal facilities to assist with compliance and processing effectiveness and efficiency. Maintain reserve account for waste management to ensure appropriate provisions for compliance and improvements where required.	MWS
Operating	Functional	6.00	Legislative / Regulatory / Policy / Workplace Health & Safety	Failure to comply with regulatory and operational requirements relating to aerodrome security.	Internal control or compliance breach.	CCTV, Transport Security Program, Physical access restrictions (electronic locks), regulatory inspections.	1/07/2019	Possible	Major	Major	High	Prioritised action required	Maintain internal and external audits and inspections. Perform regular management reviews of routine inspection reports. Complete hazard and risk management assessments.	Compliant with all CASA requirements.	1/12/2025	Possible	Moderate	Moderate	Medium	Maintain Controls	Continue to utilise external professional advice to review compliance and provide assistance to staff. Maintain risk register	CEO
Operating	Functional	7.00	Legislative / Regulatory / Policy / Workplace Health & Safety	Non compliance with safety and regulatory requirements for aerodrome operations.	Internal control or compliance breach.	Aerodrome EMP, MOS, Aerodrome Operating Manual, SMS, associated management plans, regulatory inspections	1/07/2019	Possible	Major	Major	High	Prioritised action required	Maintain internal and external audits and inspections. Perform regular management reviews of routine inspection reports. Complete hazard and risk management assessments through Safety Management Systems (SMS) committee.	CASA Audit completed October 2024. ATI submitted September 2025	1/12/2025	Possible	Moderate	Moderate	Medium	Maintain Controls	Continue to utilise external professional advice to review compliance and provide assistance to staff. Maintain risk register	CEO
Operating	Entity Wide	8.00	Legislative / Regulatory / Policy / Workplace Health & Safety	Inadequate processes to manage and comply with WHS requirements	Failure to identify risks or adequately treat risks.	WHS safety audit, WHS risk register, toolbox meetings, WHS officer	1/07/2019	Possible	Major	Major	High	Prioritised action required	Safety audit to be undertaken through professional external consultant to assess WHS requirements. Maintain WHS risk register and actions through WHS meetings.	LGIS WHS Audit undertaken June 2025. Prioritised improvement program has been developed and is being implemented.	1/12/2025	Unlikely	Major	Major	Medium	Planned action required	Safety audit actions to be continued to be implemented and engagement of consultants where required to assess WHS requirements and progress. Maintain WHS risk register and actions through WHS meetings.	CEO
Operating	Entity Wide	9.00	Legislative / Regulatory / Policy / Workplace Health & Safety	Failure to manage HR matters in accordance with statutory requirements.	Internal control or compliance breach.	IR consultant / professional advice subscription	1/07/2019	Possible	Moderate	Moderate	Medium	Planned action required	Review policies and procedures to address gaps relating to HR in existing practices. Develop procedures and / or workflows for HR activities.	Review Procedures on annual basis.	1/12/2025	Likely	Minor	Minor	Medium	Planned action required	Progress with review of policies and procedures to address gaps relating to HR in existing practices. Develop procedures and / or workflows for HR activities including independent review and authorisation. Communicate any policy updates and implications to all staff.	CEO
Operating	Functional	10.00	Financial	Incorrect processing of employee payroll	Failure to identify risks or adequately treat risks.	Processes for timesheet authorisation, payroll authorisation and review processes	1/07/2019	Likely	Moderate	Moderate	High	Prioritised action required	Develop procedures and/or workflows for appropriate processing, review and authorisation process for all functions of fortnightly payroll processing.	Develop procedures on new system.	1/12/2025	Unlikely	Moderate	Major	Medium	Develop procedures on new system.		CEO
Operating	Entity Wide	11.00	Financial	Expenditure exceeds policy threshold or tender threshold set within regulations.	Lack of probity, fraud risk, financial loss, compliance breach.	Purchasing policy	1/07/2019	Possible	Major	Major	High	Prioritised action required	Ensure policy sets out guidance in relation to management of price variations, review procurement processes to allow for early detection of variations (through creditors processing etc).	The Purchasing Policy remains the key control measure. With the introduction of the new finance platform, the procurement processes need to be reviewed and redrafted. A additional finance FTE has been appointed to assist with the process.	1/12/2025	Rare	Moderate	Moderate	Low	Develop procedures on new system.		MBS
Operating	Entity Wide	12.00	Financial	Collusion and/or perceived or actual conflict of interest during procurement assessment process.	Lack of probity, fraud risk, financial loss, compliance breach.	Purchasing policy	1/07/2019	Possible	Major	Major	High	Prioritised action required	Review or develop procurement procedures to set out requirements for assessment panels to meet objectives of the purchasing policy.	ERP now implemented.	1/12/2025	Rare	Moderate	Moderate	Low	Maintain Controls		CEO
Projects	Entity Wide	13.00	Performance	Inability to deliver projects due to poor contract management, expenditure over budget etc	Financial loss. Internal control or compliance breach.	Contracts, contract management processes and reporting, project and design specifications	1/07/2019	Possible	Major	Major	High	Prioritised action required	Maintain contract register, implement regular procurement training to set out required monitoring processes etc.	ERP now implemented. Project Management System utilised.	1/12/2025	Unlikely	Major	Major	Medium	Maintain Controls		MBS
Operating	Entity Wide	14.00	Performance	Infrastructure failure	Failure to identify risks or adequately treat risks.	Asset Management Plans, Maintenance Programs	1/07/2019	Possible	Major	Major	High	Prioritised action required	Progress with implementation of asset management plans and improvement plans (including scheduling for required maintenance activities etc)	Under review.	1/12/2025	Unlikely	Major	Major	Medium	Planned action required	Progress with development and maintenance of systems for scheduling and monitoring maintenance etc. Maintain Asset Management Plan and implement asset management improvement plan.	MWS/CEO
Strategic	Entity Wide	15.00	Service Delivery/Business Interruption	Inability to attract and retain staff to maintain operational services	Failure to identify risks or adequately treat risks.	Professional Development Incentives, Subsidised Accommodation	1/07/2019	Possible	Major	Major	High	Prioritised action required	Consider external services available for key roles to assist during periods of position vacancy. Succession planning and development strategies to multi skill workforce.	N/A	1/12/2025	Possible	Moderate	Moderate	Medium	Maintain Controls	Maintain Workforce Plan. Maintain professional advice and external assistance from consultants in high risk areas.	CEO
Strategic	Entity Wide	16.00	Service Delivery/Business Interruption	Insufficient consideration of ICT risks and subsequent management	Loss of ICT systems	ICT Strategic Plan	1/07/2019	Likely	Major	Major	High	Prioritised action required	Develop ICT Strategic Plan to highlight and address ICT risks.	Implementation of recommendations from updated ICT Strategic Plan and ICT security review have been delayed, to be progressed following implementation of new ERP	1/12/2025	Likely	Major	Major	High	Prioritised action required	Commence project to implement findings of report.	CEO
Operating	Entity Wide	17.00	Service Delivery/Business Interruption	Inadequate management of facilities and events	Breakdown of internal controls. Failure to identify risks or adequately treat risks.	Booking system/process, facility operation manuals, maintenance schedules and reports, qualified staff	1/07/2019	Likely	Moderate	Moderate	High	Prioritised action required	Develop and / or review facility operation manuals to consider and address risk management for relevant facilities.	Some facilities have some procedures relating to managing interruption events and are reviewed annually (e.g. JG Epis centre, pool). Recent security review may assist with directing action required for facilities where issues noted relating to outdated / unfit for purpose items etc. Manuals to be progressed.	1/12/2025	Likely	Moderate	Moderate	High	Prioritised action required	Progress activities to develop and / or review facility operation manuals to consider and address risk management for relevant facilities.	MBS
Operating	Functional	18.00	Legislative / Regulatory / Policy / Workplace Health & Safety	Deliberate actions by an employee to bypass procedures, authorisations or controls for personal benefit or the unfair benefit of others.	Breakdown of internal controls. Failure to identify risks or adequately treat risks. Compliance or internal control breach	Segregation of duties, delegated authority, ICT permissions, procurement processes, cash management controls, financial management controls.	1/07/2019	Possible	Major	Major	High	Prioritised action required	Induction procedures being reviewed to ensure adequate training and information is available on misconduct and reporting processes. Establish documented procedures for high risk functions (e.g. cash management and stock control).	ERP implemented. Ethics training delivered to managers and staff.	1/12/2025	Unlikely	Moderate	Major	Medium	Maintain Controls		MBS
Operating	Entity Wide	19.00	Reputational Damage	Inaccurate representation of information or reports	Breakdown of internal controls. Failure to identify risks or adequately treat risks.	Staff training, internal review and authorisation processes.	1/07/2019	Possible	Moderate	Major	Medium	Planned action required	Ensure independent review and authorisation processes exist throughout the organisation. Implement risk based staff training matrix to ensure high risk positions are resourced with appropriate training.	ERP implemented. Ethics training delivered to managers and staff.	26/02/2026	Unlikely	Moderate	Major	Medium	Maintain Controls		MBS

Leonora Risk Register December 2025.xlsx

Shire of Leonora - Risk Assessment																						
Risk Context	Assessment Context	Risk Number	Risk Assessment Category	Risk Issue and Failure Modes	Risk Identified	Existing Controls	Date of Initial risk identification	Likelihood	Strategic Consequences	Operational Consequences	Risk Rating	Action Required	Mitigation and Management Strategy (Possible Future Controls)	New controls implemented/ Actions taken	Date of Re-assessment / Subsequent Residual Risk Identification	Re-assessed Likelihood	Re-assessed Strategic Consequences	Re-assessed Operational Consequences	Re-assessed / Residual Risk Rating	Re-assessed / Residual Action Required	Future Actions Required to be Undertaken	Responsible Officer
Operating	Entity Wide	20.00	Reputational Damage	Operational activities conducted erroneously, or not performed within required time frames.	Breakdown of internal controls. Failure to identify risks or adequately treat risks. Compliance or internal control breach.	Procedures and checklists, review and authorisation processes, segregation of duties.	1/07/2019	Possible	Major	Major	High	Prioritised action required	Establish compliance calendars, review and / or develop documented procedures for core compliance functions.	Ensure adequate service planning	26/02/2025	Possible	Moderate	Moderate	Medium	Maintain Controls		CEO
Operating	Entity Wide	21.00	Financial	Theft, fraud, malicious damage or unauthorised access to data or assets.	Fraud risk, lack of probity, breakdown of internal controls, compliance breach, financial loss.	Procedures and checklists, review and authorisation processes, segregation of duties.	1/07/2019	Possible	Major	Major	High	Prioritised action required	Maintain appropriate hierarchy of controls to IT systems. Review insurances to ensure appropriate level of insurance is in place to cover events of malevolence.	A new ERP Council First has been commissioned. This system along with updated internal auditing, procedures and training are sufficient controls to address identified risks.	26/02/2025	Unlikely	Major	Major	Medium	Maintain Controls		MBS
Operating	Entity Wide	22.00	Financial	Significant adverse trend identified through audit report.	Failure to identify risks or adequately treat risks.	Long Term Financial Plan, Asset Management Plan	1/11/2019	Likely	Moderate	Moderate	High	Prioritised action required	Review Long-Term Financial Plan and Asset Management Plan to assess impact of significant adverse trend and implement appropriate treatment.	Review of Strategic Resource Plan (incorporating Long-Term Financial Plan and Asset Management Plan) commenced November 2019. Produce required reports to regulatory bodies and publish on website as required.	1/12/2019	Possible	Moderate	Moderate	Medium	Planned action required.	Accept circumstances influencing the operating surplus ratio and monitor financials for any deviation to accepted levels for review and action.	DCEO/CEO
Projects	Entity Wide	23.00	Service Delivery/Business Interruption	Pandemic resulting in breakdown in social and economic interruption	Loss of Life, Loss of Employment, Financial Hardship	Regulatory and legislative controls	5/06/2020	Possible	Catastrophic	Catastrophic	High	Prioritised action required	Increased hygiene regulations and education. Implementation of staff isolation. Cessation of social interactions as per state and federal government directives.	N/A	26/02/2025	Possible	Moderate	Moderate	Medium	Maintain Controls	Continue to monitor and follow government advice relating to health, and communicate information as required to the community and staff.	CEO

Shire of Leonora – December 2025 Risk Updates Summary

Risk Category	Risk#	Risk	Risk Register Update
Strategic	1	Procurement	Was marked complete. New finance system requires updated processes and procedures.
Strategic	2	Business disruption	Updated to note cloud system now used. Future actions updated. Residual risk changed to Medium.
Operating	3	Water Reuse Scheme	Reallocated to Manager Community Services
Operating	4	Waste Water Treatment Plant	Reallocated to Manger Business Services. Changed to "Maintain Controls"
Operating	6	Aerodrome Security	New Controls updated to reflect standing with regulator. Changed to "maintain controls".
Operating	7	Aerodrome Management	New Controls updated to reflect standing with regulator.
Operating	8	Occupational Health and Safety	New Controls updated.
Operating	9	Human Resource Matters	New Controls updated
Operating	10	Payroll	New controls and residual action updated.
Operating	11	Noncompliance with purchasing rules	New controls and residual action updated.
Operating	12	Collusion on procurement	New Controls updated
Projects	13	Contract Management	New Controls updated
Operating	14	Asset Management	New Controls updated.
Strategic	15	Workforce attraction and retention	Residual Action updated
Operating	16	ICT	Future Actions updated
Operating	18	Deliberate action by employee	New Controls updated.
Operating	19	Incorrect information	New Controls updated.
Operating	20	Service delivery	New controls and residual action updated.
Operating	21	Theft and Fraud	New controls and residual action updated.

4.0 REPORTS**4.1 CHIEF EXECUTIVE OFFICER REPORTS****4.1.(B) RELATED PARTY TRANSACTIONS AND DISCLOSURES**

SUBMISSION TO: Audit and Risk Committee Meeting
Meeting Date: 12th December 2025

AGENDA REFERENCE: 4.1.(B) DEC 25

SUBJECT: Related Party Transactions and Disclosures

LOCATION/ADDRESS: Leonora

NAME OF APPLICANT: Shire of Leonora

FILE REFERENCE: 1.8

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: Ty Matson

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 6th October 2025

SUPPORTING DOCUMENTS: Nil

BACKGROUND

In accordance with AASB 124 *Related Party Disclosures*, local governments must disclose in the annual financial statements related party relationships, transactions, and outstanding balances (including commitments) from 1 July 2016. Related parties include Key Management Personnel (KMP), which in the Shire of Leonora's case will include all elected members and executive staff, their close family members and any entities that they control or jointly control. The disclosure requires any transactions with these parties, whether monetary or not, to be identified and assessed whether disclosure is required or not. A disclosure may be in aggregate and will only occur where a transaction has occurred.

Regarding the disclosures, the following approach was developed in a workshop held at the June 2017 Audit and Risk Committee Meeting to ensure that management can properly address the requirements of the accounting standard:

- A procedure / guide for related party disclosures to be established, which includes the updating of returns quarterly through the Audit and Risk Committee Meetings
- Establishment of a system to identify and record related parties of KMPs
- Establishment of a system to identify and record related party relationships of KMPs
- Establishment of a system to identify and record related party transactions
- Identify 'Ordinary Citizen Transactions' (OCTs) that will not be disclosed by Council
- Create declaration forms to be completed by KMPs
- Set a materiality threshold for management to apply when assessing transactions for inclusion in the financial statements
- Identified the need for a separate workshop to be scheduled for newly elected members and

- For the Audit, Risk and Improvement Committee to recommend any changes required to the above processes

STATUTORY ENVIRONMENT

Disclosures were required from Local Government entities from 1 July 2016 in accordance with AASB 124 *Related Party Disclosures*, with the first disclosures made in the Financial Statements for the year ended 30 June 2017.

POLICY IMPLICATIONS

There are no policy implications resulting from the recommendation of this report.

FINANCIAL IMPLICATIONS

There are no financial implications resulting from the recommendation of this report that will have any detrimental effect on the Shire's finances.

STRATEGIC IMPLICATIONS

Strategic References within the Shire of Leonora Strategic Community Plan 2017-2027 demonstrate connections between services and the desired outcomes and community vision for the Shire of Leonora, particularly in relation to Governance services in this instance such as 4.1 Efficient service offerings to the community, 4.2 Effective and open engagement with all sections of the community, 4.5 Strong leadership and planning.

RECOMMENDATIONS

1. That the Audit and Risk Committee note the approach taken and the systems established by management with regard to addressing the requirements of *AASB 124 Related Party Disclosures*.

VOTING REQUIREMENT

Simple Majority

COMMITTEE DECISION

Moved: Cr RA Norrie

Seconded: Cr TM Nardone

1. That the Audit and Risk Committee note the approach taken and the systems established by management with regard to addressing the requirements of *AASB 124 Related Party Disclosures*.

CARRIED (7 VOTES TO 0)

*For; Cr PJ Craig, Cr RA Norrie, Cr F Harris, Cr AE Taylor,
Cr TM Nardone, Cr CA Cotterill, Cr NF Sprigg dos Santos*

Signed: 17 MARCH 2026

President: _____

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES

12 DECEMBER 2025

5.0 NEXT MEETING

Tuesday 17th March 2026

6.0 CLOSURE OF MEETING

There being no further business, the Chairperson, Cr PJ Craig declared the meeting closed at 9:49am.