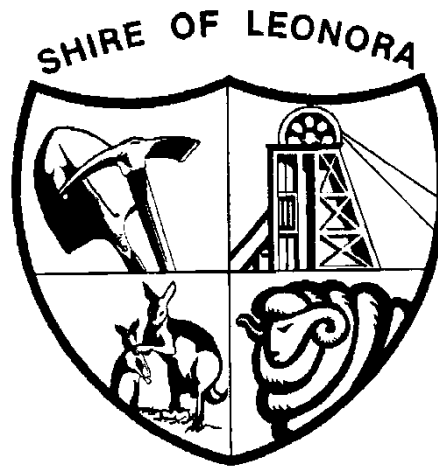


SHIRE OF LEONORA



**MINUTES OF AUDIT, RISK AND IMPROVEMENT
COMMITTEE MEETING
HELD IN COUNCIL CHAMBERS, LEONORA
ON TUESDAY 17TH MARCH, 2026
COMMENCING AT 9:44AM.**

SHIRE OF LEONORA
ORDER OF BUSINESS FOR MEETING HELD
TUESDAY 17TH MARCH, 2026.

1	DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS / FINANCIAL INTEREST DISCLOSURES	3
2	RECORD OF ATTENDANCE / APOLOGIES / LEAVE OF ABSENCE	3
	2.1 ATTENDANCE	3
	2.2 APOLOGIES	3
	2.3 LEAVE OF ABSENCE	3
	2.4 APPLICATIONS FOR LEAVE OF ABSENCE	3
3	CONFIRMATION OF MINUTES FROM PREVIOUS MEETING	4
4	REPORTS	5
	4.1 CHIEF EXECUTIVE OFFICER REPORTS	5
	(A) Leonora Early Learning Centre Audit	5
	(B) March 2026 Quarterly Risk Update	17
	(C) Related Party Transactions and Disclosures	22
5	NEXT MEETING	24
6	CLOSURE OF MEETING	24

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

1.1 The Shire President, Cr PJ Craig declared the meeting open at 9:44am.

Gary Gaffney entered the chambers at 9:45am.

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)	PJ Craig
Deputy President	RA Norrie
Councillors	AE Taylor
	TM Nardone
	CA Cotterill
	NF Sprigg dos Santos
Chief Executive Officer	TD Matson
Manager of Business Services	KJ Lord
Manager of Community Services	AW Baxter
Manager of Works & Services	TD Bell
Executive Assistant (Minutes)	SC Watene

Visitors Gary Gaffney

2.2 Apologies
Councillor F Harris

2.3 Leave of Absence
Nil

2.4 Applications for Leave of Absence
Nil

Signed: 16 JUNE 2026

President: _____

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES

17 MARCH 2026

3.0 CONFIRMATION OF MINUTES FROM PREVIOUS MEETING

COMMITTEE DECISION

Moved: Cr RA Norrie

Seconded: Cr TM Nardone

That the minutes of the Audit, Risk and Improvement Committee Meeting held on 12 December, 2025 be confirmed.

CARRIED (6 VOTES TO 0)

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

4.0 REPORTS**4.1 CHIEF EXECUTIVE OFFICER REPORTS****4.1.(A) LEONORA EARLY LEARNING CENTRE AUDIT**

SUBMISSION TO: Audit, Risk and Improvement Committee Meeting
Meeting Date: 17th March 2026

AGENDA REFERENCE: 4.1.(A) MAR 26

SUBJECT: Leonora Early Learning Centre Audit

LOCATION/ADDRESS: Leonora Early Learning Centre

NAME OF APPLICANT: Shire of Leonora

FILE REFERENCE: 4.7

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: Alex Baxter

OFFICER: Manager Community Services

INTEREST DISCLOSURE: Direct Financial

DATE: 9th March 2026

SUPPORTING DOCUMENTS:

1. LEONORA CHILD CARE FACILITY - 190008270H - Section 158 Notice
2. Provider Audits - Audit outcome letter - Non-compliant-

BACKGROUND

The Shire of Leonora was advised by the Department of Education on 9 February 2026 that an audit would be undertaken in relation to the operations and compliance requirements of the Leonora Early Learning Centre. The Shire subsequently compiled the requested documentation and provided this information to the Department for review within the required timeframe.

The audit report was received from the Department on 26 February 2026. Following the Department's review of the submitted documentation, three compliance matters were identified which required action by the Shire. These matters primarily related to administrative notification requirements rather than operational or service delivery concerns. The matters identified are summarised below:

- The Department had not been formally notified of changes to the Centre's fee structure.
- The Department had not been formally notified of updates relating to the status of Working with Children Checks for relevant staff.
- The Department had not been formally notified of a change to the Centre's contact details.

Upon receipt of the audit report, the Shire immediately reviewed the findings and undertook the required actions to address the matters identified. All necessary notifications and updates have now been provided to the Department to ensure compliance with the relevant reporting and notification requirements.

STAKEHOLDER ENGAGEMENT

Nil

STATUTORY ENVIRONMENT

Part 8 of the *A New Tax System (Family Assistance) (Administration) Act 1999* states:

196 Conditions for continued approval—compliance with rules and laws

Eligibility requirements

(1) It is a condition for the continued approval of an approved childcare service that the service satisfies any eligibility rules that are from time to time applicable to the service under paragraph 205(1)(b).

Compliance with family assistance law

(2) It is a condition for the continued approval of an approved childcare service that the service not contravene an obligation imposed on the service by the family assistance law (whether or not such a contravention constitutes an offence or is of a civil penalty provision).

Note: Enforcement under this Division of this and other conditions is not limited or affected by other compliance measures in this Act (for example, infringement notices, proceedings for civil penalty orders and prosecutions).

(2A) It is a condition for the continued approval of an approved childcare service that the service cooperate with a person exercising powers under sections 219K, 219KA, 219L and 219LA.

(2B) It is a condition for the continued approval of an approved childcare service that the operator of the service cooperate with a person exercising powers under section 219KA.

Compliance with Commonwealth, State and Territory laws

(3) It is a condition for the continued approval of an approved childcare service that:

- (a) the operation of the service; and
- (b) the provision of care by the service; and
- (c) the construction of the premises of the service; and
- (d) the equipment at the premises of the service;

comply with all applicable requirements imposed by a law of the Commonwealth or a law of the State or Territory in which the service operates.

196A Conditions for continued approval—financial viability

It is a condition for the continued approval of an approved childcare service that the operator of the service, if a large long day care centre operator, be likely to remain financially viable.

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

STRATEGIC IMPLICATIONS

This item aligns with the *Shire of Leonora Council Plan 2025–2035*, particularly Objective 1.3, which supports access to quality community services and facilities that meet the needs of residents and families. The continued operation and compliance of the Leonora Early Learning Centre ensures the Shire maintains essential early childhood services for the community.

The item also supports Objective 4.1, which focuses on maintaining strong governance, compliance, and risk management practices across the organisation. Addressing the matters identified in the Department of Education audit demonstrates the Shire’s commitment to regulatory compliance and continuous organisational improvement.

RISK MANAGEMENT

Risk	Likelihood	Consequence	Risk Rating	Mitigation / Control
Failure to notify the Department of Education of administrative changes (fees, WWCC status, contact details) may result in non-compliance with Child Care Subsidy provider obligations.	Possible	Moderate	Medium	Matters identified through the audit have now been addressed and notifications provided to the Department. Internal procedures will be reviewed to ensure future changes are reported within required timeframes.
Continued non-compliance with CCS reporting requirements could lead to regulatory action or conditions placed on the service approval.	Unlikely	Major	Medium	The Shire has implemented corrective actions and will strengthen internal reporting processes and compliance monitoring for the Leonora Early Learning Centre.
Reputational risk to the Shire if regulatory compliance issues are not addressed promptly.	Unlikely	Moderate	Low	The Shire has responded promptly to the audit findings and remains committed to maintaining compliance with Department of Education requirements.

RECOMMENDATIONS

1. That the Audit, Risk and Improvement Committee accepts the Department of Education audit report dated 26 February 2026 in relation to the Leonora Early Learning Centre, notes the matters identified within the report, and acknowledges that the required actions have been completed by the Shire to address the issues raised.

VOTING REQUIREMENT

Simple Majority

COMMITTEE DECISION

Moved: Cr TM Nardone

Seconder: Cr RA Norrie

1. That the Audit, Risk and Improvement Committee accepts the Department of Education audit report dated 26 February 2026 in relation to the Leonora Early Learning Centre, notes the matters identified within the report, and acknowledges that the required actions have been completed by the Shire to address the issues raised.

CARRIED (6 VOTES TO 0)

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

OFFICIAL: Sensitive



Australian Government
Department of Education

Our Ref: 190008270H

The Proper Officer
Shire of Leonora
PO BOX 56
LEONORA WA 6438

Email: kidzcare@bigpond.net.au
Cc: ty.matson@leonora.wa.gov.au

To the Proper Officer



**Notice of Requirement to Give Information and/or Produce Documents –
Shire of Leonora**

A New Tax System (Family Assistance) (Administration) Act 1999 - Section 158

Authority to issue notice

I am a delegate of the Secretary of the Department of Education (the department) for the purposes of section 154 of the *A New Tax System (Family Assistance) (Administration) Act 1999* (the Administration Act).

This is a notice under section 158 of the Administration Act, given to **Ty Matson** requiring the provision of certain information and/or documents in relation to the approved provider **Shire of Leonora** (the Provider) in respect of **LEONORA CHILD CARE FACILITY** (the Service).

As a delegate of the Secretary, I reasonably believe that you will be able to give the information or produce the documents or records that are set out in this notice.¹

Power to require the information and/or documents

Section 154 of the Administration Act provides that the Secretary may require a person to give information, or produce a document that is in the person's custody or under the person's control, to a specified agency, if the Secretary considers that the information or document may be relevant to:

- whether the person, or any other person, whom the Secretary has determined to be entitled to be paid family assistance is or was eligible for the family assistance, or for family assistance of the amount determined; or whether the person or any other person to whom a payment of family assistance has been made was entitled to the payment.²
- the question of whether an approved provider should continue to be approved.³
- the question of whether a child care service should continue to be approved in respect of the person, or any other person.⁴
- the records that a person is required to keep under section 202B or 202C of the Administration Act.⁵

OFFICIAL: Sensitive

Documents/information to be provided

I require you to give to the department, in accordance with this notice, the information and/or produce documents in respect of the Provider, Service and individuals as set out in the attachments to this notice titled **Declaration of Compliance** and **Personnel**.

The period within which you must comply with this notice

You must give the required information and/or produce copies of the required documents by no later than close of business **24 February 2026**.

To whom the information, documents or records must be produced

You must produce the information, documents or records to the Provider Audits team. Please make sure that when doing so, that you address your correspondence to this team.

How you must give the information and/or produce the documents

You must:

- provide the required information by completing the attachments to this notice titled **Declaration of Compliance** and **Personnel**.
- send the information by email to: provideraudits@education.gov.au

Giving false or misleading information is a serious offence under section 137.1 of the *Criminal Code Act 1995*.

Consequences of refusing or failing to comply with this notice

It is an offence under subsection 159(1) of the Administration Act to refuse or fail to comply with this notice, punishable by a term of imprisonment of up to 12 months.⁶

Non-compliance may also result in breaching the conditions for the continued approval of a service under subsection 195A(3) of the Administration Act, and a sanction potentially being imposed on the service, including suspension or cancellation of approval, under subsection 195H of the Administration Act.

Contact for further information

If you have any questions or require further information about this notice, please contact the department on provideraudits@education.gov.au.

Yours sincerely



John Intervalo
Assistant Director
Provider Audits
Early Childhood Group
09 February 2026

Attachment A – privacy statement

Personal information

Your personal information is protected by law, including under the *Privacy Act 1988* (Privacy Act).

Personal information is information or an opinion about an identified individual or an individual who is reasonably identifiable. Personal information includes an individual's name and contact details.

Collection of your information

Your personal information will be collected by the Australian Government Department of Education (the department) under the Administration Act when you provide information and documents in response to this notice.

Purpose of collecting your information

Your personal information is collected for the purposes of administering the Family Assistance Law and related compliance purposes.

If you do not provide some or all of the personal information requested, this may mean you fail to comply with this notice. The consequences of refusing or failing to comply with this notice are outlined above.

Your personal information may be disclosed to other parties where you have agreed, or where it is otherwise permitted under the Privacy Act.

Privacy policy

The department's Privacy Policy, including information about how to make a complaint and seek access to and correction of your personal information, can be found at <https://www.education.gov.au/privacy> or by requesting a copy from the department at privacy@education.gov.au.

To contact the department about your personal information, email privacy@education.gov.au.

To contact the department about this notice, email provideraudits@education.gov.au

¹ Section 153A of the Administration Act.

² Subsection 154(1) of the Administration Act, including as saved. Note that, for care provided before 2 July 2018, refer also to subsections 154(3) and 154(4A) of the Administration Act, as saved. Under the saved provisions, information or documents relevant to conditional eligibility and entitlement for child care benefit purposes, and for child care rebate purposes, may be sought.

³ Paragraph 154(4)(b) of the Administration Act

⁴ Paragraph 154(4)(d) of the Administration Act

⁵ Paragraph 154(4)(e) of the Administration Act.

⁶ However, section 159(1):

- only applies to the extent to which a person is capable of complying with this notice; and
- does not apply if a person has a reasonable excuse.



Australian Government
Department of Education

Our Ref: 190008270H

The Proper Officer
Shire of Leonora
PO BOX 56
LEONORA WA 6438

By Email: kidzcare@bigpond.net.au
Cc: ty.matson@leonora.wa.gov.au

To the Proper Officer

Outcome of audit – Shire of Leonora in respect of Leonora Child Care Facility

Undertaking of audit

On 10 February 2026, a delegate of the Secretary of the Department of Education (the department) sent you a notice under section 158 of the *A New Tax System (Family Assistance) (Administration) Act 1999* (the Administration Act).

The notice requested information for the department to undertake an audit of your administration of Child Care Subsidy, including the steps that were being taken to ensure you were complying with the requirement that child care gap fees were being paid by parents, using an electronic funds transfer payment method.

On 24 February 2026, you provided a response to the section 158 notice.

Non-compliance / apparent non-compliance

An examination of the documents and information provided by you has been undertaken, and non-compliance / apparent non-compliance has been identified. Please see **Attachment A** for details.

What you need to do

You must examine your current procedures and make amendments to ensure that:

- the issues set out in Attachment A are addressed, and
- the issues will not reoccur in the future.

The department will continue to monitor your service, including the possibility of future audits.

Provider obligations

Approved providers are responsible for making sure that they and their employees meet all obligations and requirements, and that the child care funding they receive is administered appropriately and directed lawfully.

The Child Care Provider Handbook is available on the department's website to assist providers to understand the requirements for continued approval to administer Child Care Subsidy. It does not replace the need for diligence, research or obtaining independent legal advice.

OFFICIAL: Sensitive

It is a condition of continued approval that approved providers comply with their obligations under both:

- Family Assistance Law (administered by the Australian Government) and
- National Law and National Regulations (administered by State and Territory Governments).

Free and publicly accessible versions of relevant Commonwealth legislation, including the *Child Care Subsidy Minister's Rules 2017* (Minister's Rules) and the *Child Care Subsidy Secretary's Rules 2017* (Secretary's Rules), are available from www.legislation.gov.au

Action that can be taken

We may take compliance action if you fail to meet your obligations. Depending on the non-compliance identified, these include:

- issuing an infringement notice
- imposing conditions on provider or service approval
- reducing the number of allocated child care places
- suspending payments for 3 weeks
- suspending or cancelling provider or service approval
- commencing a criminal prosecution

Contact for further information

If you have any questions or require further information about this letter, please contact the department at provideraudits@education.gov.au.

Yours sincerely



Brad Campbell
Senior Compliance Officer
Provider Audits
Early Childhood Group
26 February 2026

Non-compliance identified

The below instances of non-compliance/apparent non-compliance were identified during the audit.

Table 1: Failure to notify change of fee details.	
Description: An approved provider must give the Secretary written notice of:	
1.1 Information on the fees for care as notified to individuals who may enrol their child for care at the service. The fee to be notified to the Secretary is:	
a) where fees are advertised on a daily or sessional basis, the fees that apply daily or to sessions of care (including the number of hours), as applicable; or	
b) the total hourly fee advertised by the provider for care provided by the service; expressed before any fee reduction amounts or other rebates and discounts applied, which may otherwise reduce the total fee.	
1.3 Any change to the fee information.	
Fees must be notified:	
- within 14 days after the change.	
- within 14 days after 30 June and 31 December in each year, including reporting no change in fees.	
Law: Section 204F of the <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> and section 55(1) of the <i>Child Care Subsidy Minister's Rules 2017</i> .	
Date information checked: 05 February 2026	
Reason: It was identified that the fee information has not been notified to the Secretary within 14 days of 30 June 2025, within 14 days of 31 December 2025 (1.3).	
Fee Type	Issues
All Fees	Fees for the Service have not been reported to the Secretary since the 14/07/2024.

Table 2: Failure to notify update to working with children check (WWCC) details.			
Description: An approved provider must give the Secretary written notice:			
For persons required to hold a WWCC, when the status of the WWCC changes, within 24 hours of the provider becoming aware of the change.			
This includes when an individual obtains a new check, or providing an update where an existing check is renewed, extended, suspended, revoked, lapsed or expired.			
Law: Sections 195D and 204F of the <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> and section 55(17) of the <i>Child Care Subsidy Minister's Rules 2017</i> .			
Date information checked: 05 February 2026			
Reason: It was identified that changes occurred to the WWCC details for the following PMC and these changes had not yet been reported into the Child Care Subsidy System.			
PMC Name	PRODA ID	WWCC No.	Issue
[REDACTED]	221846204	2655102	WWCC expired on the 30/10/2025. As per Western Australian regulations, persons who require a check include individuals who have an agreement to work in child-related work. Work is child-related if the 'usual duties' of the work involve or are likely to involve 'contact' with a child in connection with at least one of the categories of 'child-related work'. Therefore a valid WWCC is required to be reported to the Secretary.

Apparent non-compliance identified

Table 3: Failure to notify change of contact details for the provider or any approved child care services		
Description: An approved provider must give the Secretary written notice of: Change of any of the following contact details of the provider, or of any of the provider's approved child care services: (a) an email address; (b) a website; (c) a telephone number; (d) a fax number. Within 14 days after the change		
Law: Section 204F of the <i>A New Tax System (Family Assistance) (Administration) Act 1999</i> and section 55(9) of the <i>Child Care Subsidy Minister's Rules 2017</i> .		
Date information checked: 24 February 2026		
Reason: It was identified that changes occurred to the following contact details, and these changes were either reported late, or as at the date above, had not yet been reported into the Child Care Subsidy System		
Contact Detail	Provider/Service	Issues
Landline	Service	PMC has provided a landline number for the Service in the Declaration of Compliance response. This has not been reported to the Secretary as per the legislation. The Provider has 14 days from the 24/02/26 to report this update to the Secretary. This will be identified as apparent non-compliance.

4.0 REPORTS**4.1 CHIEF EXECUTIVE OFFICER REPORTS****4.1.(B) MARCH 2026 QUARTERLY RISK UPDATE**

SUBMISSION TO: Audit, Risk and Improvement Committee Meeting
Meeting Date: 17th March 2026

AGENDA REFERENCE: 4.1.(B) MAR 26

SUBJECT: March 2026 Quarterly Risk Update

LOCATION/ADDRESS: Shire of Leonora

NAME OF APPLICANT: NA

FILE REFERENCE: TBA

AUTHOR, DISCLOSURE OF ANY INTEREST AND DATE OF REPORT

NAME: Ty Matson

OFFICER: Chief Executive Officer

INTEREST DISCLOSURE: Nil

DATE: 12th March 2026

SUPPORTING DOCUMENTS: 1. Shire of Leonora Risk Register March 2026

BACKGROUND

Regulation 17 of the *Local Government (Financial Management) Regulations 1996* requires the Chief Executive Officer to implement and review systems and procedures in relation to risk management.

The Shire maintains a Corporate Risk Register to support compliance with this requirement and to provide assurance to Council and the Audit, Risk and Improvement Committee that key strategic, operational, financial, compliance, and reputational risks are identified, assessed, and appropriately managed.

The Risk Register is reviewed periodically and updated to reflect:

- changes in the Shire’s operating environment;
- the implementation of new systems and controls; and
- outcomes of audits, reviews, and improvement activities.

The March 2026 version of the Risk Register is submitted for the Committee’s review and oversight.

The March 2026 review of the Corporate Risk Register reflects continued improvement in the Shire’s risk management maturity and control environment.

Key matters arising from the review include:

- Standardisation of terminology, with all references updated from “OHS” to “WHS (Workplace Health and Safety)” to ensure consistency with contemporary legislative and sector practice.
- Removal of specific references to COVID-19, with pandemic-related risks now framed generically to ensure ongoing relevance to future public health emergencies.

- Reassessment of several risk ratings following the implementation of improved controls, including the introduction of a new ERP system, completion of WHS audits, strengthened procurement processes, and enhanced compliance monitoring.
- Identification of a small number of risks now assessed as Low and effectively managed through routine procedures, which may be considered for removal from the register in future review cycles.

While no Extreme risks are currently identified, a limited number of High residual risks remain, primarily in areas such as ICT governance, asset and infrastructure management, workforce capacity, and facilities management. These risks continue to be actively monitored and treated through planned actions.

Overall, the updated Risk Register provides a sound basis for ongoing risk oversight and supports informed decision-making by management, the Committee, and Council.

STAKEHOLDER ENGAGEMENT

Nil

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Financial Management) Regulations 1996 – Regulation 17

POLICY IMPLICATIONS

There are no Policy implications.

FINANCIAL IMPLICATIONS

There are no financial implications.

STRATEGIC IMPLICATIONS

The updated Corporate Risk Register has several strategic implications for the Shire of Leonora:

- The review confirms that the Shire's strategic risk profile is stable, with no Extreme risks identified and a reduced number of High risks following the implementation of improved systems, audits, and governance controls.
- Continued strategic focus is required on ICT governance, asset and infrastructure management, workforce sustainability, and facilities management, as these areas continue to present higher residual risk and have the potential to impact achievement of strategic objectives if not effectively managed.
- The reframing of pandemic risk to a generic, future-focused risk supports long-term resilience and aligns the Risk Register with contemporary strategic planning principles rather than event-specific responses.
- The identification of risks now assessed as Low and managed through routine controls provides an opportunity to streamline the Risk Register and sharpen strategic oversight on material risks that require executive and Council attention.

- The Risk Register continues to provide a critical input into the Shire's Strategic Community Plan, Corporate Business Plan, Long Term Financial Plan, and Internal Audit planning, reinforcing its role as a key strategic governance tool.

Overall, the March 2026 Risk Register supports informed strategic decision-making and demonstrates a maturing risk management framework aligned with the Shire's long-term objectives and governance obligations.

RISK MANAGEMENT

This report directly addresses the Shire's obligation to maintain effective risk management systems. Failure to regularly review and maintain the Risk Register may expose the Shire to governance, financial, compliance, and reputational risks.

RECOMMENDATIONS

1. That the Audit, Risk and Improvement Committee:
2. Notes the March 2026 review of the Shire of Leonora Corporate Risk Register; and
3. Supports the continued refinement and ongoing monitoring of the Risk Register, including the future removal of risks assessed as Low and adequately managed through routine controls.

VOTING REQUIREMENT

Simple Majority

COMMITTEE DECISION

Moved: Cr RA Norrie

Seconded: Cr TM Nardone

1. That the Audit, Risk and Improvement Committee:
2. Notes the March 2026 review of the Shire of Leonora Corporate Risk Register; and
3. Supports the continued refinement and ongoing monitoring of the Risk Register, including the future removal of risks assessed as Low and adequately managed through routine controls.

CARRIED (6 VOTES TO 0)

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

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES

17 MARCH 2026

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.	New finance system has been implemented with processes and procedures now in place.	12/03/2026	Rare	Major	Major	Medium	Maintain Controls	Processes and procedures have been implemented. Ongoing monitoring and spot auditing measures are in place.	CEO
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.	The new system is in place, procedures developed and data stored in the cloud. The new allows for the development of a BCP.	12/03/2026	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.	12/03/2026	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.	12/03/2026	Rare	Moderate	Moderate	Low	Maintain Controls	Risk is now Low and can be removed.	MBS
Operating	Functional	5.00	Environmental Risk	Failure to adequately enforce conditions and manage landfill operations at unmanaged 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. Planning is now underway for future operational requirements.	12/03/2026	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		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.	12/03/2026	Unlikely	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	Noncompliance with safety and regulatory requirements for aerodrome operations.	Internal control or compliance breach.	Aerodrome EMP, MDS, Aerodrome Operating Manual, SMS, associated management plans, regulatory inspections	1/07/2019	Possible	Major	Major	High		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	12/03/2026	Unlikely	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.	HR 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 immediate authorisation, payroll authorisation and review processes	1/07/2019	Likely	Moderate	Moderate	High		Develop procedures and/or workflows for appropriate processing, review and authorisation process for all functions of fortnightly payroll processing.	Develop procedures on new system.	12/03/2026	Rare	Moderate	Major	Low	Maintain Controls	New system has been implemented with associated procedures. Risk considered low and may be removed.	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		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.	12/03/2026	Rare	Moderate	Moderate	Low	Maintain Controls	New system has been implemented with associated procedures. Risk considered low and may be removed.	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		Review or develop procurement procedures to set out requirements for assessment panels to meet objectives of the purchasing policy.	ERP now implemented.	12/03/2026	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		Maintain contract register, implement regular procurement training to set out required monitoring processes etc.	ERP now implemented. Project Management System utilised.	12/03/2026	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.	12/03/2026	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		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	12/03/2026	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.	12/03/2026	Likely	Major	Major	High	Planned action required	Recommendation to Council to appoint contractor for the management of ICT services. A report is to be presented to Council at the 17/3/26 OMC for consideration for the appointment of a contractor. This contractor will if approved manage the Shire's ICT system including the recommendations from the Shire commissioned 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.	12/03/2026	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		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.	12/03/2026	Rare	Moderate	Major	Low	Maintain Controls		MBS

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES

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	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		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
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	26/02/2026	Possible	Moderate	Moderate	Medium	Service planning to be continued to be refined.		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.	26/02/2026	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.	1/11/2019	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	26/02/2026	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

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

SUBMISSION TO: Audit, Risk and Improvement Committee Meeting
Meeting Date: 17th March 2026

AGENDA REFERENCE: 4.1.(C) MAR 26

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: 5th January 2026

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, Risk and Improvement 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 AE Taylor

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

CARRIED (6 VOTES TO 0)

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

Signed: 16 JUNE 2026

President: _____

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES

17 MARCH 2026

5.0 NEXT MEETING

Tuesday 16th June 2026

6.0 CLOSURE OF MEETING

There being no further business, the Chairperson, SP Cr, PJ Craig declared the meeting closed at 9:53am.