

Signed: 12 DECEMBER 2025
President: Mr

SHIRE OF LEONORA



**MINUTES OF THE AUDIT, RISK AND IMPROVEMENT
COMMITTEE MEETING
HELD IN COUNCIL CHAMBERS, LEONORA
ON FRIDAY 19TH SEPTEMBER, 2025
COMMENCING AT 9:38AM.**

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AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES

19 SEPTEMBER 2025

**SHIRE OF LEONORA
ORDER OF BUSINESS FOR MEETING HELD
FRIDAY 19TH SEPTEMBER, 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 9:38am.

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	F Harris LR Petersen AE Taylor TM Nardone
Chief Executive Officer	TD Matson
Manager Community Services	AW Baxter
Manager Works & Services	JL Morgan
Community Development Coordinator	M Pointon
Executive Assistant	SC Watene

Visitors

Nil

2.2 Apologies

Councillor RM Cotterill

2.3 Leave of Absence

Nil

2.4 Applications for Leave of Absence

Nil

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AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING MINUTES

3.0 CONFIRMATION OF MINUTES FROM PREVIOUS MEETING

COMMITTEE DECISION

Moved: Cr RA Norrie

Seconded: Cr LR Petersen

That the minutes of the Audit and Risk Committee Meeting held on 17 June, 2025 be confirmed.

CARRIED (6 VOTES TO 0)

*For; Cr PJ Craig, Cr RA Norrie, Cr F Harris,
Cr LR Petersen, Cr AE Taylor, Cr TM Nardone*

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4.0 REPORTS

4.1 CHIEF EXECUTIVE OFFICER REPORTS

10.1.(A) QUARTERLY RISK MANAGEMENT UPDATES - SEPTEMBER 2025

SUBMISSION TO:	Audit, Risk and Improvement Committee Meeting
	Meeting Date: 19th September 2025
AGENDA REFERENCE:	4.1.(A) SEP 25
SUBJECT:	Quarterly Risk Management Updates - September 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:	4th August 2025
SUPPORTING DOCUMENTS:	1. September 2025 Risk Update (Confidential)

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, Risk and Improvement 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.

The executive team has prioritised risk treatment measures. The most significant treatment, however, has been the implementation of the new ERP system, Council First. This software enables audited access controls to be implemented in critical financial areas, significantly reducing the level of risk.

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

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COMMENT:

The Risk Register has been comprehensively reviewed. As part of this review 3 risks rated as 'High' have been re-rated as 'medium'. It was found that in all three cases the consequence for the strategic ambitions was rated too high when measured against Councils Risk Strategy. Typically, the risk may present a disruption to administration it had a reduced impact on strategic outcomes.

Additionally, the 'extreme risk' for Covid 19 was re-rated too high. Whilst future pandemics are likely the consequence may not be extreme for the organisation. Pandemic planning is normal in most organisations where a 'high' consequence is typically applied.

Risk Category	High Pretreatment June 2025	High Risk post treatment June 2025	High Treatment September 2025	Pre Treatment	High Residual Risk Post Treatment
Performance	2	1	1	0	
Environmental	3	2	1	0	
Reputational Damage	2	1	1	0	
Financial	5	3	5	0	
Service Delivery / Business Interruption	5	3	5	3	
Legislative / Regulatory / Policy/ Work, Health & Safety	6	1	6	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.

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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 and Risk 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 September 2025, and the above report updating risk management activities undertaken to date.

VOTING REQUIREMENT

Simple Majority

COMMITTEE DECISION

Moved: Cr RA Norrie

Seconded: Cr LR Petersen

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

CARRIED (6 VOTES TO 0)

For; Cr PJ Craig, Cr RA Norrie, Cr F Harris,
Cr LR Petersen, Cr AE Taylor, Cr TM Nardone

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Shire of Leonora – February 2025 Risk Updates Summary

Risk Category	Risk#	Risk	Risk Register Update
Strategic	1	Procurement and Contract Management	<ul style="list-style-type: none"> Procedures implemented to guide procurement and contract management process. Residual Risk Rating changed to Medium
Strategic	2	Business Continuity	<ul style="list-style-type: none"> Comprehensive review of business continuity plans was delayed whilst new RP system implemented. BCP development will now progress. Procurement process to commence for ICT Services
Operating	3	Reuse Water Management	<ul style="list-style-type: none"> 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. Pretreatment consequence rerated to moderate inline with risk strategy.
Operating	4	Liquid Waste Management	<ul style="list-style-type: none"> Pretreatment consequence rerated to moderate inline with risk strategy. Procedures in place
Operating	5	Landfill Regulatory Compliance	<ul style="list-style-type: none"> Pretreatment consequence rerated to moderate inline with risk strategy. CCTV camera in place to record commercial waste New signage installed
Operating	6	Aerodrome Security	<ul style="list-style-type: none"> CASA audit October 2024. Findings being addressed with CASA Aerodrome Technical Inspection submitted September 2025
Operating	7	Aerodrome Safety	<ul style="list-style-type: none"> CASA audit October 2024. Findings being addressed with CASA Aerodrome Technical Inspection submitted September 2025
Operating	8	WHS Compliance	<ul style="list-style-type: none"> OHS changed to WHS in line with Legislation External (LGIS) Audit June 2025 Responsible Officer changed to CEO
Operating	9	HR Compliance	<ul style="list-style-type: none"> Onboarding and offboarding procedures developed
Operating	10	Employee Payroll	<ul style="list-style-type: none"> 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. Residual risk now medium

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Shire of Leonora – February 2025 Risk Updates Summary

Risk Category	Risk#	Risk	Risk Register Update
Operating	11	Purchasing Policy Compliance	<ul style="list-style-type: none">• 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.• Residual risk now low
Operating	12	Procurement Collusion	<ul style="list-style-type: none">• 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.• Residual risk now low
Projects	13	Contract Management	<ul style="list-style-type: none">• Standard contract documentation has been reviewed and updated, with routine reviews to be maintained. Controls for periodic issue of standard terms and conditions to existing suppliers as well as all new suppliers implemented. Contract register progressing, prioritising resources to highest risk contracts first, noting accompanying procedures also required to be developed. Procurement training planned following ERP implementation to communicate updated controls.• Project Management program utilised• Residual risk changed to Medium
Operating	18	Staff Collusion	<ul style="list-style-type: none">• 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.
Operating	19	Inaccurate representation of information or reports	<ul style="list-style-type: none">• Strategic consequence changed to moderate inline with Risk Strategy• Risk Rating now medium
Operating	21	Unauthorised access to data or assets	<ul style="list-style-type: none">• 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.• Security upgraded at all sites
Projects	23	Pandemic	<ul style="list-style-type: none">• Likelihood changed to possible• Reference of covid 19 removed.• Risk Rating now High
Operating	24	Hazardous materials register	<ul style="list-style-type: none">• Survey undertaken on all Shire properties.• Hazards requiring immediate works has been completed.• Asbestos Register updated.

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Shire of Leonora – February 2025 Risk Updates Summary

Risk Category	Risk#	Risk	Risk Register Update
Operating	25	Compliance with Aboriginal Heritage Legislation	<ul style="list-style-type: none">• Training completed by senior staff in Aboriginal Heritage Act by DPLH.• PBC engaged when relevant ground disturbance activities planned.

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4.0 REPORTS

10.1 CHIEF EXECUTIVE OFFICER REPORTS

10.1.(B) RELATED PARTY TRANSACTIONS AND DISCLOSURES

SUBMISSION TO: Audit, Risk and Improvement Committee Meeting
Meeting Date: 19th September 2025

AGENDA REFERENCE: 4.1.(B) SEP 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: 23rd June 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, Risk and Improvement 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

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- 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 TM Nardone

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 F Harris,
Cr LR Petersen, Cr AE Taylor, Cr TM Nardone

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5.0 NEXT MEETING

Friday 12th December 2025

6.0 CLOSURE OF MEETING

There being no further business, the Chairperson, Cr PJ Craig declared the meeting closed at 9:46am.

