Shire of Nannup

Audit, Risk and Improvement Committee

Agenda

Thursday 10 September 2026, 4:30 pm

Council Chamber
15 Adam Street, Nannup

Notice of Meeting

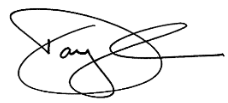
To: The Shire President and Councillors

NOTICE is given that a meeting of the Audit, Risk and Improvement Committee will be held in the Council Chambers, Administration Building, Adam Street, Nannup on Thursday 10 September 2026, commencing at 4:30 pm.

DISCLAIMER

Motions adopted at the Audit, Risk and Improvement Committee meetings are required to be ratified by Council and should not be acted upon by anyone until written notification has been given by or received from the Shire of Nannup.

The Shire of Nannup expressly disclaims any liability for any loss arising from any person or body relying on any statement or decision made during this Committee meeting. Any plans or documents in Agendas and Minutes may be subject to copyright.



David Taylor
CHIEF EXECUTIVE OFFICER

10 September 2026

RISK MANAGEMENT

The Shire of Nannup considers risk management to be an essential management function in its operations. It recognises that the risk management responsibility for managing specific risks lies with the person who has the responsibility for the function, service or activity that gives rise to that risk.

Assessing Risk:

Shire Nannup Consequence Guide

Rating Level	Health	Financial	Reputational	Compliance	Service disruption	Assets	Environment
Low (Minor)	First Aid Injury	Less than $5,000	Unsubstantiated No real impact	Negligible statutory impact	Little disruption	Inconsequential Damage	Contained and minimal
Medium (Moderate)	Lost Time Injury <30 days	$25,001 to $100,000	Substantial public embarrassment moderate news profile	Short term but significant regulatory imposts	Temporary interruption and additional resources needed	Localised damage requiring external sources to rectify	Contained reversable impact with external agencies
High (Major – Extreme)	Lost time injury >30 days or a fatality	$100,001 To $500,000+	Substantiated prolong public embarrassment with widespread news	Non-Compliance resulting in litigation or criminal charges	Prolonged interruption greater than 1 month+	Excessive damage to complete loss of asset.	Uncontained irreversible impact

Shire Nannup Likelihood Guide

Level	Rating	Description	Frequency
5	Almost Certain	The event is expected to occur in most circumstances	More than once per year
4	Likely	The event will probably occur in most circumstances	At least once per year
3	Possible	The event should occur sat sometimes	At Least three per year
2	Unlikely	The event could occur at some time	At least once in 10 years
1	Rare	The event may occur in exceptional circumstances	Less than once in 15 years

Shire Nannup Risk Matrix

Likelihood \ Consequence	Low (1)	Medium (2)	High (3)
5 – Almost Certain	Medium (5)	High (10)	Extreme (15)
4 – Likely	Medium (4)	High (8)	High (12)
3 – Possible	Low (3)	Medium (6)	High (9)
2 – Unlikely	Low (2)	Medium (4)	Medium (6)
1 – Rare	Low (1)	Low (2)	Medium (3)

Shire Nannup Acceptance Criteria Guide

Rating Level	Description	Criteria	Responsibility
Low (Minor)	Acceptable	Risk acceptable with adequate controls, managed by routine procedures and subject to annual monitoring	Operations Managers and Coordinators
Medium (Moderate)	Attention Required	Risk Acceptable with excellent controls, managed by senior staff subject to regular (1-3 Month) monitoring	Manager Corporate Services/CEO
High (Major – Extreme)	Unacceptable	Risk only acceptable with excellent controls and all treatment plans to be explored and implemented where possible, managed by highest level authority and subject to continuous monitoring	CEO and Council

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A G E N D A

1 OFFICIAL OPENING

The Shire of Nannup welcomes Elected Members, Committee members, staff and members of the public to the Audit, Risk and Improvement Committee Meeting.

The Shire of Nannup acknowledges the Wadandi and Bibbulmun people as the traditional custodians of this region and pay respects to Elders past and present.

Members of the public are reminded that no visual or audio recording of this meeting, by any means, is allowed without the permission of the Presiding Person.

The Presiding Person is to declare the meeting open.

2 ATTENDANCE AND APOLOGIES

2.1 ATTENDANCE

Independent Presiding Member	Alan Lamb
Independent Deputy Presiding Member	Joanne Burgess
Shire President	Anthony Dean
Deputy Shire President	Vicki Hansen
Councillor	Lynette Curtis
Councillor	Patricia Fraser
Councillor	Nancy Tang
Councillor	Ian Gibb
Chief Executive Officer	David Taylor
Executive Manager Corporate Services	Kim Dolzadelli
Executive Manager Works and Services	Richard Denby
Executive Support Officer	Anthea Monger

2.2 APOLOGIES

Councillor Cheryle Brown is on an Approved Leave of Absence for 10 September 2026.

3 CONFIRMATION OF MINUTES

3.1 MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD ON 18 DECEMBER 2026 AS PUBLISHED ON THE INTERNAL COUNCIL WEB PORTAL.

RECOMMENDATION

That the Minutes of the Audit and Risk Committee Meeting held on 18 December 2026 as published on the Internal Council Web Portal. be confirmed.

4 DISCLOSURES OF INTEREST

Elected Members must act honestly and transparently by declaring any financial, proximity, or impartiality interests that could influence — or be perceived to influence — their decision-making at council and committee meetings.

The Local Government Act 1995 requires verbal disclosure at meetings, supported by written declarations and financial interest returns, to ensure accountability. Personal interests (impartiality) not captured by financial or proximity provisions must still be managed under the Local Government (Model Code of Conduct) Regulations 2021.

Elected Members with a Financial or Proximity Interest must leave the Chambers during deliberations on the matter.

5 REPORTS

5.1 CONSIDERATION OF THE ANNUAL COMPLIANCE AUDIT RETURN 2025

FILE REFERENCE:	ASSI35
AUTHOR:	Governance Officer
AUTHORISING OFFICER:	Executive Manager Corporate Services
DISCLOSURE OF INTEREST:	Nil
PREVIOUS MEETING REFERENCE:	Nil
CONFIDENTIAL:	No
ATTACHMENTS:	1. Annual Compliance Audit Return 2025 [**5.1.1** - 13 pages]

PURPOSE OF REPORT

To consider the Shire of Nannup's legislative compliance audit and completion of the 2025 Compliance Audit Return (CAR) for the period 1 January 2025 to 31 December 2025.

BACKGROUND

Western Australian local government authorities are required to complete an Annual Compliance Audit Return (CAR) in accordance with the provisions of the *Local Government (Audit) Regulations 1996*. (the Regulations).

The Compliance Audit Return (CAR) is ordinarily required to be submitted to the Department of Local Government, Industry Regulation and Safety (LGIRS) by 31 March each year following the audit period. However, for the 2025 reporting period, the submission deadline has been extended to 30 September 2026 to accommodate significant reforms to the local government regulatory framework.

These reforms arise from amendments to the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996*, including the establishment of the Local Government Inspectorate, changes to the statutory requirements subject to compliance auditing, and the introduction of new powers for the Local Government Inspector to determine the scope of matters included in the CAR.

The extended timeframe provides local governments with additional opportunity to review and address the revised compliance requirements before submitting their return.

DETAIL

The Compliance Audit Return (CAR) is an annual self-assessment of a local government required under regulation 14 of the *Local Government (Audit) Regulations 1996.*

The purpose of the CAR is to provide assurance that the local government has complied with prescribed statutory obligations and to identify areas where improvements may be required.

As part of the process, the local government undertakes an internal review of its compliance against the prescribed statutory requirements. The completed CAR must be reviewed by the Audit, Risk and Improvement Committee (ARIC).

The ARIC plays an important oversight role in the Compliance Audit Return (CAR) process. Following completion of the CAR by the administration, the ARIC is required to review the return and assess the results of the compliance audit. The Committee considers the adequacy and accuracy of the information provided, identifies any areas of non-compliance or governance concern, and reports the results of its review to Council.

The ARIC may also make recommendations regarding corrective actions, process improvements, or other measures to strengthen the local government's compliance framework.

Council must consider the ARIC's review and recommendations when determining whether to adopt the CAR and what actions, if any, are required to address identified issues.

Administration is to submit the CAR to the Local Government Inspector by 30 September 2026.

COMMENT

CAR questions were assigned to relevant officers who were required to review their processes to determine compliance and provide evidence to support their response, where required. Responses were collated and provided to the Chief Executive Officer for review.

Where non-compliance was identified, officers were requested to provide comments relating to corrective actions. In some cases, an immediate response has been applied to resolve the non-compliance and for others, processes are being reviewed to support effective future regulatory compliance.

The 2025 CAR comprised 97 questions grouped across 7 categories. Officers responsible for responding to each question were required to provide supporting internal records or documentation to substantiate their responses. Compliance responses were to be recorded as either "Yes", "No" or “not-applicable”. Where non-compliance was identified, officers were also required to outline the corrective actions or remedial measures proposed to address the issue.

Non Compliance Identified

Question: *Section 3.16. Has the local government reviewed local laws which have not been reviewed in the previous 8 years, to ensure compliance with Schedule 9.3, Clause 65?*

Answer: No.

Remedial Action: The Shire intends to present a report to the August 2026 Council meeting commencing a review of all its local laws.

Question: *Section 5.96A. Did the CEO publish information on the local government’s website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?*

Answer: No, the exception is that the Shire has not published a register of the amount or value, of any fees, expenses or allowances paid to each council member during a financial year from 2020 onwards.

Remedial Action: The Shire is in the process of developing a register and will publish the register as soon as it is complete.

Question: *Regulation 19DA. Has the local government reviewed its corporate business* *plan in accordance with Admin Regulation 19DA(4)?*

Answer: No.

Remedial Action: The Corporate Business Plan is currently under review.

Question: *Regulation 29C. Does the local government publish all prescribed information on its official website— including up-to-date policies, required details of council member and employee returns, council member fees and allowances, and relevant public notices—within the specified timeframes and in accordance with legislative requirements?*

Answer: No. The exception is that the Elected Members Fees and Allowance Schedule has not been compiled or published.

Remedial Action: The Shire is in the process of developing a register and will publish the register as soon as it is complete.

Question: *Regulation 35. Has every local government council member completed and passed the Council Member Essentials course, consisting of the five required modules and delivered by an approved provider, within 12 months of being elected*?

Answer: No.

Remedial Action: An Elected Member did not complete 1 module. This has subsequently been rectified.

The attached CAR includes comments and references to documents to support the response provided.

STATUTORY ENVIRONMENT

Regulation 14 Compliance audits

(1) A local government must carry out an audit (a compliance audit) of the local government's compliance with the statutory requirements prescribed by regulation 13 for the period beginning on 1 January and ending on 31 December in each year.

(1A) Sub regulation (1) is subject to regulation 15A.

(2) After a local government has carried out a compliance audit, the CEO must -
- (a) prepare a compliance audit return in a form approved by the Inspector; and
- (b) give a copy of the compliance audit return to the local government's audit, risk and improvement committee.

(3) The audit, risk and improvement committee must -
- (a) review the compliance audit return; and
- (b) report to the council the results of that review.

(4) When reporting to the council, the audit, risk and improvement committee must make any recommendations that the committee considers appropriate in relation to the compliance audit return.

(5) The council must consider the compliance audit return and the results of the audit, risk and improvement committee's review (including any recommendations) at a meeting of the council.

(6) The council must -

(a) determine if any matters raised by the audit, risk and improvement committee require action to be taken by the local government; and
(b) either -
(i) adopt the compliance audit return; or
(ii) adopt the compliance audit return subject to amendments proposed by the council.

POLICY IMPLICATIONS

Policies, procedures and processes are continually reviewed to support compliance.

FINANCIAL IMPLICATIONS

Nil

RISK MANAGEMENT IMPLICATIONS

Audit risks	Financial and credit risks
Operational risks	Technological and IT risks
Compliance and regulatory risks	Environmental risks
Legal risks	Strategic risks
Political risks	Sustainability and security risks

Officers have undertaken a Risk Assessment with respect to the item before Council and advise that the following risks have been identified.

Risk	Likelihood	Consequence	Risk Rating	Risk Description	Mitigation / Control
Non-compliance with legislative requirements identified through the 2025 Compliance Audit Return.	Likely	Moderate	High	Failure to comply with requirements of the Local Government Act 1995 and associated regulations may result in regulatory scrutiny, adverse audit findings, reputational damage and reduced public confidence in the Shire's governance framework.	Annual Compliance Audit Return completed and reviewed by responsible officers. Evidence-based compliance assessment undertaken. Non-compliances identified and corrective actions implemented.

STRATEGIC IMPLICATIONS

Our Shire - We listen to our community, are transparent, and act with integrity.

6.4 We are One - We will strive to make decisions and deliver outcomes that are in the best interest of the majority of the community.

VOTING REQUIREMENTS

Simple Majority

OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee recommends that Council ADOPT the Compliance Audit Return for the period ended 31 December 2025 as presented in the attachment.

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6 CONFIDENTIAL MATTERS

Nil.

7 MEETING CLOSURE