

# Shire of Lake Grace

## Audit, Risk & Improvement Committee Meeting

# Minutes

22 July 2026

Meeting Commenced at 2.28pm



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## **SHIRE OF LAKE GRACE**

Agenda for the Audit Committee Meeting to be held at Council Chambers, 1 Bishop Street, Lake Grace, WA on Wednesday 22 July 2026.

### **1.0 DECLARATION OF OPENING/ANNOUNCEMENT OF VISITORS**

The Chairperson of the Audit Committee opened the meeting at 2.28 pm.

### **2.0 ACKNOWLEDGEMENT OF COUNTRY**

I wish to acknowledge the traditional Custodians of the land on which we meet today and pay my respects.

I extend that respect to Aboriginal and Torres Strait Islander peoples here today.

### **3.0 RECORD OF ATTENDANCE/APOLOGIES/ LEAVE OF ABSENCE (PREVIOUSLY APPROVED)**

#### **Present**

Mr P Stoffberg – Chairperson  
Cr S Hunt  
Cr LW Armstrong

#### **In Attendance**

Alan George – Chief Executive Officer  
Mr A Wooldridge – Deputy Chief Executive Officer  
Cr R Lloyd  
Cr B Hyde

#### **Apologies**

#### **Observers/Visitors**

### **4.0 RESPONSE TO PREVIOUS PULIC QUESTIONS TAKEN ON NOTICE**

Nil

### **5.0 PUBLIC QUESTION TIME**

Nil

**6.0 PETITIONS/DEPUTATIONS/PRESENTATIONS**

Nil

**7.0 NOTATIONS OF INTEREST**

Nil

**7.1 DECLARATIONS OF FINANCIAL INTEREST – LOCAL GOVERNMENT ACT 1995  
SECTION 5.60A**

Nil

**7.2 DECLARATIONS OF PROXIMITY INTEREST – LOCAL GOVERNMENT ACT 1995  
SECTION 5.60B**

Nil

**7.3 DECLARATIONS OF IMPARTIALITY INTEREST – ADMINISTRATION  
REGULATIONS 1996 SECTION 34C**

Nil

**8.0 ANNOUNCEMENTS BY THE PRESIDING MEMBER WITHOUT DISCUSSION**

Nil

**9.0 CONFIRMATION OF MINUTES**

**9.1 AUDIT, RISK & IMPROVEMENT COMMITTEE MEETING – 16 APRIL 2026**

**RECOMMENDATION / RESOLUTION**

**Moved:** Cr Armstrong

**Seconded:** Cr Hunt

That the minutes of the Audit, Risk & Improvement Committee Meeting held on 16 April 2026 be confirmed as a true and accurate record.

**CARRIED** 5/0

**For:** Mr P Stoffberg, Cr Hunt, Cr Armstrong, Cr Lloyd, Cr Hyde

**Against:** Nil

## 10.0 REPORTS OF OFFICERS

### 10.1.1 QUARTERLY RISK PROFILE TOOL JUNE 2026

|                               |                                                                                                                                                             |
|-------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Applicant</b>              | Internal – Shire of Lake Grace                                                                                                                              |
| <b>File No.</b>               | 0625                                                                                                                                                        |
| <b>Attachments</b>            | <ul style="list-style-type: none"> <li>• Shire of Lake Grace - Risk Profile Tool 2026</li> <li>• Lake Grace 2016 Risk Profile and Reporting Tool</li> </ul> |
| <b>Author</b>                 | Aaron Wooldridge – Acting Chief Executive Officer                                                                                                           |
| <b>Disclosure of Interest</b> | Nil                                                                                                                                                         |
| <b>Date of Report</b>         | 16 July 2026                                                                                                                                                |
| <b>Senior Officer</b>         | Alan George – Chief Executive Officer                                                                                                                       |

#### Summary

The purpose of this report is to present the Quarterly Risk Profile Reporting Tool – June 2026 to the Audit, Risk & Improvement Committee for endorsement.

The Risk Profile Reporting Tool has undergone a comprehensive review and significant redevelopment since it was last formally reviewed in December 2016. The updated version better reflects the Shire's contemporary governance, risk management and compliance environment and aligns with current legislative obligations, organisational practices, audit recommendations and modern risk management principles.

The revised tool has also been developed to support ongoing oversight by the Audit, Risk & Improvement Committee by providing clearer reporting of control effectiveness, risk ratings and management actions requiring ongoing monitoring.

#### Background

The Shire's Risk Profile Reporting Tool was originally developed in 2016 to provide management and Council with a structured framework for monitoring strategic and operational risks across the organisation.

Since its original implementation, significant changes have occurred within the local government sector, including:

- Changes to organisational operations and service delivery
- Implementation of improved governance practices
- Completion of the Regulation 5 and Regulation 17 Governance Audit undertaken by Paxon Group during 2025
- Adoption of updated policies and procedures
- Implementation of Privacy and Responsible Information Sharing (PRIS) requirements
- Increased cyber security and fraud management obligations
- Changes to organisational risk management practices; and

- Increased expectations surrounding governance reporting and assurance.

Recognising these changes, Management undertook a complete review of the Risk Profile Reporting Tool to ensure it accurately reflects the Shire's current operating environment and provides a more meaningful reporting mechanism for the Audit, Risk & Improvement Committee.

#### Comment

Management has undertaken a comprehensive review and redevelopment of the Shire's Risk Profile Reporting Tool, representing the first significant review since the reporting framework was originally developed and implemented in December 2016.

Whilst the overall structure of the reporting tool has been retained to preserve consistency in enterprise risk reporting, every individual risk profile has been reviewed to ensure it accurately reflects the Shire's current operational environment, governance framework, legislative obligations and strategic risks.

The review was also undertaken in conjunction with the implementation of a number of governance improvements introduced since 2016, including the *Privacy and Responsible Information Sharing Act 2024* (PRIS), improvements to governance and compliance practices, strengthened internal controls, increased cyber security obligations and the recommendations arising from the Regulation 5 and Regulation 17 Governance Audit completed by Paxon Group during March 2025.

The revised Risk Profile Reporting Tool has therefore evolved from being primarily a risk register into a governance assurance and continuous improvement reporting framework that enables Management and the Audit, Risk & Improvement Committee to monitor organisational risks, the effectiveness of internal controls and the implementation of improvement initiatives through one integrated reporting document.

#### **Key Control Assurance Framework**

One of the most significant enhancements is the redevelopment of the Key Controls section. The previous 2016 framework relied largely upon professional judgement when assigning an overall control rating. Whilst suitable at the time, this approach provided limited evidence supporting the assigned rating.

The revised framework introduces a structured Control Assurance assessment whereby every identified key control is evaluated against five assurance criteria:

- Whether the control is documented
- Whether the control is understood by responsible officers
- Whether the control remains current
- Whether the control remains relevant; and
- Whether the control has been validated through operational practice.

The outcome of these assurance questions now determines an objective overall control rating of:

- Effective

- Adequate
- Inadequate

This provides a far greater level of transparency, consistency and accountability when assessing the maturity of organisational controls and allows Management to identify where improvement activities should be prioritised.

### **Review of Consequence Categories**

Each of the fourteen organisational risk profiles has also undergone a detailed review of its Consequence Categories.

Since 2016, the Shire's operating environment has changed considerably, including increased regulatory oversight, cyber security threats, governance expectations, financial reporting obligations and service delivery responsibilities.

Accordingly, the Consequence Categories have been reviewed and amended where appropriate to better reflect the current risk environment. Examples include the inclusion of Financial, Compliance, Property and Interruption to Service consequences where these are now considered more representative of the actual organisational exposure.

These changes ensure that the overall risk ratings more accurately reflect the Shire's contemporary risk profile rather than continuing to rely upon assumptions established almost ten years ago.

### **Current Issues, Actions and Treatments**

The Current Issues, Actions and Treatments section has undergone a complete review. Actions that were included within the original 2016 reporting framework and have since been completed or are no longer applicable have been removed.

The revised framework now incorporates contemporary organisational improvement activities together with recommendations arising from the 2025 Paxon Governance Audit, including improvements relating to:

- Risk Management Framework implementation
- Compliance Framework development
- Business Continuity Planning
- Fraud and Corruption Prevention
- Documented operational procedures
- Policy reviews and version control
- Audit recommendation tracking
- Complaints management
- Freedom of Information administration
- Contract management
- Governance documentation; and

- Other continuous improvement initiatives.

Each action now identifies responsible officers, target completion dates and implementation status, enabling the Audit, Risk & Improvement Committee to monitor progress on a quarterly basis.

This effectively integrates the Governance Audit Action Plan into the Shire's enterprise risk management framework and avoids maintaining multiple reporting registers.

### **Improved Governance Reporting**

The revised reporting framework also introduces several governance improvements designed to strengthen oversight by the Audit, Risk & Improvement Committee. These include:

- Clearer reporting of overall organisational risk ratings
- Formal control assurance ratings
- Commentary identifying changes since the previous review
- Risk rating trend analysis
- Clearly assigned management responsibilities
- Improved reporting against organisational risk appetite; and
- Enhanced monitoring of outstanding improvement actions.

Collectively these improvements provide greater assurance to both the Committee and Council that enterprise risks are being actively monitored and managed.

Although the revised reporting tool provides an overall Control Assurance Rating for each enterprise risk category, Members should recognise that this overall rating should not be interpreted as meaning that all individual controls are operating effectively.

Where the overall Control Assurance Rating is assessed as being within or below the overall Consequence Risk Rating, Management considers this demonstrates that existing controls are currently managing the identified risk to an acceptable level.

However, Management's longer-term objective is to ensure that every individual key control ultimately achieves an 'Effective' assurance rating wherever reasonably practicable.

Consequently, the Audit, Risk & Improvement Committee is encouraged to focus its quarterly review on two key areas.

Firstly, ensuring that individual key controls currently assessed as Adequate or Inadequate continue to improve over time through management action.

Secondly, monitoring the completion of outstanding Current Issues, Actions and Treatments to ensure agreed governance improvements continue to progress in accordance with the nominated completion dates.

This continuous improvement approach will strengthen organisational resilience, improve governance maturity and provide greater assurance that the Shire's enterprise risks remain appropriately managed.

#### Legal Implications

This item relates to compliance with:

- *Local Government Act 1995*
- *Local Government (Audit) Regulations 1996 – Regulation 17*
- *AS ISO 31000:2018 Risk Management – Guidelines*

#### Policy Implications

- *Shire of Lake Grace Risk Management Framework 2026*

#### Consultation

Alan George – Chief Executive Officer  
Senior Management Team  
Internal audit findings from Paxon

#### Financial Implications

Nil

#### Strategic Implications

**This item aligns with Aspire 2033 - Shire of Lake Grace Strategic Community Plan**

|            |                                                                                                                   |
|------------|-------------------------------------------------------------------------------------------------------------------|
| Objective  | <b>Leadership Objective - Strong governance and leadership, demonstrating fair and equitable community values</b> |
| Outcome    | 9 - An efficient and effective organisation                                                                       |
| Strategies | 9.2 - Comply with statutory and legislative requirements                                                          |

#### Voting Requirements

Simple Majority

## RECOMMENDATION / RESOLUTION

### RESOLUTION

**Moved:** Cr Lloyd

**Seconded:** Cr Hyde

That the Audit, Risk & Improvement Committee:

1. Receives the Quarterly Risk Profile Reporting Tool for the period ending 30 June 2026.
2. Endorses the revised Quarterly Risk Profile Reporting Tool, noting the significant review and enhancements undertaken since the previous review completed in 2016, including:
  - The introduction of a formal Key Control Assurance assessment methodology.
  - The review and update of Consequence Categories to reflect the Shire's contemporary operating environment.
  - The incorporation of governance improvements arising from the 2025 Paxon Governance Audit
  - The review and update of Current Issues, Actions and Treatments; and
  - The enhanced governance reporting framework supporting ongoing enterprise risk management.
3. Notes that Management will continue to review and report the Risk Profile Reporting Tool to each quarterly meeting of the Audit, Risk & Improvement Committee, with a focus on improving individual Key Control Assurance Ratings and monitoring the completion of outstanding improvement actions.
4. Recommends that Council endorse the Quarterly Risk Profile Reporting Tool for the quarter ending 30 June 2026.

**CARRIED** 5/0

**For:** Mr P Stoffberg, Cr Hunt, Cr Armstrong, Cr Lloyd, Cr Hyde

**Against:** Nil

## 11.0 CLOSURE

There being no further business, the Presiding Member closed the meeting at 3.06 pm.

|                              |
|------------------------------|
| <b>12.0    CERTIFICATION</b> |
|------------------------------|

I, Peter Stoffberg, certify that the minutes of the meeting held on Thursday 22 July 2026 as shown were confirmed as true and accurate record of the meeting

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date