



CONFIRMED MINUTES

Audit, Risk and Compliance Committee Meeting

Wednesday 26 November 2025

Time: 11:30am

**Location: Council Chambers, McGregor Street
Port Hedland WA 6721**

Distribution Date: 2 December 2025

Presiding Member: _____

A handwritten signature in black ink, written over a horizontal line.

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1 Opening of Meeting

The Presiding Member declared the meeting open at 11:34am.

2 Acknowledgement of Traditional Owners and Dignitaries

The Presiding Member acknowledges the Kariyarra people as the Traditional Custodians of the land that we are meeting on and recognises their strength and resilience and pays respect to elders past, present and emerging.

3 Recording of Attendance

Important note:

This meeting is being audio recorded to facilitate community participation and for minute-taking purposes, which may be released upon request to third parties. In accordance with Section 6.16 of the Town of Port Hedland Local Law on Standing Orders members of the public are not permitted to use any visual or vocal electronic device or instrument to record the proceedings of any meeting unless that person has been given permission by the Presiding Member to do so. Members of the public are also reminded that in accordance with section 6.17(4) of the Town of Port Hedland Standing Orders Local Law mobile telephones must be switched off and not used during the meeting.

3.1 Attendance

Present: Commissioner Jessica Shaw
Commissioner Martin Altridge
Commissioner Ronald Yuryevich
Baptiste Isambert – Chair
Stephen Arthur Brown – Deputy Chair

Attended: Mark Dacombe (Interim Chief Executive Officer)
Stephen Leeson (Director Corporate Services)
Tom Kettle (Manager Governance)
Stephanie Sikaloski (Senior Audit, Risk & Insurance Advisor)
Emily Richardson (Audit, Risk & Insurance Officer)
Kaleena Cruickshank (Manager Financial Services)

Public: 1

Media: 0

3.2 Attendance by Telephone / Instantaneous Communications

Nil.

3.3 Apologies

Nil.

3.4 Approved Leave of Absence

Nil.

3.5 Disclosures Of Interest

Nil.

4 Applications for Leave of Absence

Nil.

5 Response to Previous Questions

5.1 Response to Questions taken on notice from Elected Members at the Audit, Risk and Compliance Committee Meeting held on 12 August 2025

Nil.

5.2 Response to Questions taken on notice from Public at the Audit, Risk and Compliance Committee Meeting held on 12 August 2025

5.2.1 Janet Gillingham

Question

At the 18 March 2025 Annual General Meeting of Electors, a member of the public asked the following 'When was the last Financial Forensic Audit done on the Town of Port Hedland?'. The answer that came back from the Acting CEO was that there has never been one. So, I would like to ask if we can confirm that is the actual answer.

The Director of Corporate Services has provided the following response:

A search of the Town's records and inquiries with the Department of Local Government, Industry Regulation & Safety did not locate any copy of any financial review undertaken.

The Town's finances are audited annually by external auditors appointed by the Office of the Auditor General.

6 Public Time

6.1 Public Question Time

The Presiding Member declared Public Question Time open at 11:37am.

The CEO confirmed that no questions had been submitted prior to the meeting.

There were no questions from the public during the meeting.

The Presiding Member declared Public Question Time closed at 11:38am.

6.2 Public Statement Time

The Presiding Member declared Public Statement Time open at 11:38am.

The CEO confirmed that no statements had been submitted prior to the meeting.

There were no statements from the public during the meeting.

The Presiding Member declared Public Statement Time closed at 11:38am.

6.3 Petitions / Deputations / Presentations / Submissions

Nil.

7 Questions from Members without Notice

Nil.

8 Announcements by Presiding Member without Discussion

1. The Director Corporate Services has contacted Mr. Ashenden to invite him to present to the Audit, Risk and Compliance Committee regarding his Elector's Motion at the 2025 AGM. Mr. Ashenden has confirmed that he is out of Town and will attend the next quarterly Audit, Risk and Compliance Committee meeting.
2. The Audit, Risk and Compliance Committee meeting is typically scheduled for 5:30pm; however, due to unavoidable scheduling constraints associated with coordinating Commissioner, Independent, and Administration calendars, this meeting will be held at 11:30am. It is anticipated that from 2026, meetings will revert to the standard 5:30pm timeslot, as outlined in the report presented to Council at the 26 November 2025 Ordinary Council Meeting (Agenda Item 12.1.4 - 2026 Council and Committee Meeting Schedule), subject to Council resolution.
3. An Agenda Feedback Session was held on 19 November 2025. The purpose of the session was to give Committee Members an opportunity to review the upcoming agenda, seek clarification, and raise any preliminary questions on items of business.

During the session, Administration walked through the reports and facilitated discussion to ensure members were well-prepared ahead of today's meeting.

The Committee raised several questions on reports during the Agenda Feedback Session. These questions have since been addressed by Administration either through updated reports or through a commitment to provide clarification in reports that will be publicly available at the Committee's next meeting in March 2026.

9 Declarations of All Members to have given due consideration to all matters contained in the Agenda before the Meeting

The Audit, Risk and Compliance Committee Members declared that they had given due consideration to all matters contained in the agenda.

10 Confirmation of Minutes of Previous Meeting

ARC202526/012 COMMITTEE DECISION

MOVED: CMM Martin Aldridge

SECONDED: CMM Ronald Yuryevich

That Committee Members confirm that the Minutes of the Audit, Risk and Compliance Committee Meeting held on 12 August 2025 are a true and correct record.

CARRIED BY SIMPLE MAJORITY (5/0)

For: Chair Baptiste Isambert, CMM Jessica Shaw, CMM Martin Aldridge, CMM Ronald Yuryevich and Deputy Chair Stephen Brown
Against: Nil

Disclaimer

Members of the public are cautioned against taking any action on Committee decisions, on items on this evening's Agenda in which they may have an interest, until formal notification in writing by the Town has been received. Decisions made at this meeting can be revoked, pursuant to the Local Government Act 1995.

11 Reports of Officers

11.1	Annual Work Plan Review
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Author: Senior Audit, Risk & Insurance Advisor

Authorising Officer: Manager Governance

Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

ARC202526/013 COMMITTEE DECISION

MOVED: CMM Jessica Shaw

SECONDED: CMM Martin Aldridge

That the Audit, Risk and Compliance Committee endorse the 2026 Work Plan, as per Attachment 1.

CARRIED BY SIMPLE MAJORITY (5/0)

For: Chair Baptiste Isambert, CMM Jessica Shaw, CMM Martin Aldridge, CMM Ronald Yuryevich and Deputy Chair Stephen Brown

Against: Nil

PURPOSE

The purpose of this report is for the Audit, Risk and Compliance Committee (the "ARC Committee") to endorse the ARC Committee Work Plan (the "work plan") for the 2026 calendar year.

DETAIL

Pursuant to Section 7 of the *Local Government Act 1995* ("the Act"), an Audit Committee must be established to provide guidance and assistance to the local government, operating with accountability to the Council.

In accordance with section 7.8 of the Committee's current Terms of Reference (Version 12), the Audit, Risk and Compliance (ARC) Committee is required to develop an annual work plan. This plan serves as a strategic roadmap, enabling the Committee to effectively fulfil its functions, roles, and responsibilities for the upcoming calendar year.

The annual work plan has been prepared in alignment with the requirements outlined in section 7.8 of the ARC Committee's Terms of Reference. It integrates key components that link the Committee's responsibilities to legislative compliance dates and the approved meeting schedule. Additional reports may be presented to the Committee throughout the year as deemed appropriate.

The work plan is an evolving document. It may be updated to reflect new items identified for Committee consideration and, where changes occur, will be resubmitted for re-approval. Additional matters arising between scheduled meetings may further be referred to the Committee following consultation.

The proposed work plan is as follows:

ARC Committee Work Plan 2026					
<i>Meeting Dates</i>	10 Mar 2026	12 May 2026	11 Aug 2026	24 Nov 2026	TOR Clause Version 12
<i>Recommendations to Council Meeting Dates</i>	25 Mar 2026	27 May 2026	26 Aug 2026	10 Dec 2026	
ARC Committee Performance and Administration					
Annual Work Plan Review					7.8
Risk Management (including Fraud)					
Risk Register Review					8.2
Business Continuity Plan (TBC)					8.5
Risk Appetite Statement Review					8.1
Risk Management Policy Review					8.1
Internal Control and Internal Audit					
Internal Audit Plan - FY2026/27 to FY2028/29					8.7
Internal Audit Reports (as available)					8.8
Audit Log Review					8.9
Financial Reporting					
Outstanding Debtors (Including Rates)					8.11
Compliance					
Procurement Report on Panels Usage					8.17
Compliance Audit Return					8.18
External Audit					
Annual Audited Financial Statements					8.19; 8.22
Other Responsibilities					
Terms of Reference Review					8.27
Asset Management Framework Progress Report					8.26
Enterprise Resource Planning Implementation Progress Report					8.26
Town of Port Hedland Integrity Framework					8.26

*The reporting mechanism and the committee date for presenting the Business Continuity Planning report are yet to be confirmed.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is of low significance because endorsement of the plan does not yield any social, economic, or environmental impacts for the community.

CONSULTATION

Internal

- Manager Governance
- Manager Financial Services
- Manager Digital Services
- Manager ERP Project

External Agencies

Nil.

Community

Nil.

LEGISLATION AND POLICY CONSIDERATIONS

- ARC Committee Terms of Reference v12, Section 7.8

FINANCE AND RESOURCE IMPLICATIONS

Nil.

STRATEGIC SUSTAINABILITY IMPLICATIONS

Council Plan: Part A (Strategic Community Plan)

The following sections of the Town's Council Plan (Strategic Community Plan) 2025-2035 are applicable in consideration of this item:

4.2.3 Transparent and regular governance reporting and communication to the community is undertaken.

Access and Inclusion

The following outcome of the Town's Access and Inclusion Plan 2023-2026 apply in relation to this item:

Nil.

Council Plan Part B (Corporate Business Plan)

The following service of the Town's Council Plan (Corporate Business Plan) 2025-2035 apply in relation to this item:

Our Leadership:

Governance: Governance framework; procurement (including local business opportunities); Integrated Planning and Reporting; strategic risk management; internal audit; Audit, Risk and Compliance Committee.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Compliance
Cause	Failure to endorse the annual work plan
Effect	Missed opportunities for continuous improvement Delayed identification of emerging risks Potential non-compliance with statutory requirements
Risk Treatment	Treat
<p>There is an operational compliance risk associated with this item caused by failure to endorse the work plan and implement proactive and best-practice review processes, which could lead to missed opportunities for improvement and delayed risk identification.</p> <p>The risk rating is considered Medium (6), determined by a likelihood of Unlikely (2) and a consequence of Moderate (3).</p> <p>This risk will be treated by adoption of the work plan and periodic review.</p>	

OPTIONS

- Option 1 – Adopt officer's recommendation
- Option 2 – Amend officer's recommendation
- Option 3 – Do not adopt officer's recommendation

CONCLUSION

Endorsing the ARC Committee Work Plan for 2026 ensures compliance with the Committee's Terms of Reference and supports effective governance and risk management practices.

ATTACHMENTS

1. 2026 ARC Committee Work Plan [**11.1.1** - 1 page]

11.2	Terms of Reference Review
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Author: Senior Audit, Risk & Insurance Advisor

Authorising Officer: Manager Governance

Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

ARC202526/014 COMMITTEE DECISION

MOVED: CMM Ronald Yuryevich

SECONDED: Deputy Chair Stephen Brown

That the Audit, Risk and Compliance Committee:

- 1. Endorse the revised Terms of Reference for the Audit, Risk and Compliance Committee, as presented in Attachment 1; and**
- 2. Recommend that Council adopt the revised Terms of Reference for the Audit, Risk and Compliance Committee, as presented in Attachment 1.**

CARRIED BY SIMPLE MAJORITY (5/0)

For: Chair Baptiste Isambert, CMM Jessica Shaw, CMM Martin Aldridge, CMM Ronald Yuryevich and Deputy Chair Stephen Brown

Against: Nil

PURPOSE

The purpose of this report is to seek the Audit, Risk and Compliance (ARC) Committee's endorsement of the revised Terms of Reference (TOR), which have been updated to reflect recent legislative reforms introduced under the *Local Government Amendment Act 2024*. The ARC Committee is requested to recommend that Council formally adopt the revised TOR.

DETAIL

The ARC Committee is a formally constituted committee of the Town of Port Hedland Council, established under *Section 7.1A of the Local Government Act 1995*. The Committee provides independent oversight of the Town's financial management systems, audit processes, risk governance, and continuous improvement initiatives.

Recent reforms to the *Local Government Act 1995*, effective from December 2024, have introduced significant changes to the governance and operation of council committees. These include:

- Reclassification of audit committees as Audit, Risk and Improvement Committees (ARICs) to reflect a broader scope of responsibilities.

- Mandatory appointment of an independent presiding member, who must not be a council member or employee of the local government.
- Clarification of committee structure, including the roles of presiding members, deputy presiding members, and committee members.
- Provisions for shared ARICs among smaller local governments to reduce resource burdens.

A summary of key changes is as follows:

Committee name

Version 12	Version 13
Audit, Risk and Compliance Committee	Audit, Risk and Improvement Committee

Appointment

Version 12	Version 13
The Presiding Member and Deputy Presiding Member will be appointed by the ARC Committee	The Presiding Member and Deputy Presiding Member will be appointed by Council

Membership

Aspect	Version 12	Version 13
Independent Members	One, where possible	Minimum of two
Presiding Member	Elected by the Committee No requirement for independent member	Elected by Council Must be an independent member
Deputy Presiding Member	Elected by the Committee No requirement for independent member	Elected by Council Must be an independent member

Responsibilities

Version 12	Version 13
No improvement component	Improvement component added
Risk Management	Risk Management and Fraud Risk Management (s7.2). Updated sub heading to reflect fraud control oversight of the Committee

The revised TOR ensures compliance with the amended legislation.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 – Significant Decision Making, this matter is considered to be of medium significance, as it directly impacts the governance framework and statutory compliance of the Town’s audit and risk oversight functions.

CONSULTATION

Internal

- Manager Governance

External Agencies

- Department of Local Government, Industry Regulation and Safety
- [Review of the Local Government Reform Fact Sheet](#)

Community

Nil.

LEGISLATION AND POLICY CONSIDERATIONS

- *Local Government Act 1995 – Section 7.1A*
- *Local Government Amendment Act 2024*
- *Local Government (Audit) Regulations 1996*

FINANCE AND RESOURCE IMPLICATIONS

There are no direct financial implications associated with the adoption of the revised Terms of Reference. However, the appointment of an independent presiding member may incur minor costs, which will be accommodated within existing budgets.

STRATEGIC SUSTAINABILITY IMPLICATIONS

Council Plan: Part A (Strategic Community Plan)

The following sections of the Town’s Council Plan (Strategic Community Plan) 2025-2035 are applicable in consideration of this item:

4.2.3 Transparent and regular governance reporting and communication to the community is undertaken.

Access and Inclusion

The following outcome of the Town’s Access and Inclusion Plan 2023-2026 apply in relation to this item:

Nil.

Council Plan Part B (Corporate Business Plan)

The following service of the Town's Council Plan (Corporate Business Plan) 2025-2035 apply in relation to this item:

Our Leadership:

Governance: Governance framework; procurement (including local business opportunities); Integrated Planning and Reporting; strategic risk management; internal audit; Audit, Risk and Compliance Committee.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Compliance
Cause	Failure to update the Terms of Reference in line with legislative reforms
Effect	Non-compliance with statutory obligations, reduced effectiveness of the Committee, and reputational damage
Risk Treatment	Accept
<p>There is an operational risk associated with this item caused by failure to update the Terms of Reference in line with legislative reforms, which may lead to non-compliance with statutory obligations, reduced effectiveness and productivity of the Committee and reputational damage.</p> <p>The risk rating is considered to be Low (4) which is determined by a likelihood of Unlikely (2) and a consequence of Minor (2).</p> <p>This risk has been accepted due to the effectiveness of controls in place, including:</p> <ul style="list-style-type: none"> • Terms of Reference have been updated in line with the Local Government Amendment Act 2024. • Briefing with the Committee prior to the meeting. 	

OPTIONS

Option 1 – Adopt officer's recommendation

Option 2 – Amend officer's recommendation

Option 3 – Do not adopt officer's recommendation

CONCLUSION

The revised Terms of Reference for the ARC Committee have been developed to reflect recent legislative reforms introduced under the *Local Government Amendment Act*

2024. These changes are designed to strengthen governance, improve transparency, and ensure that the Committee continues to meet its statutory obligations and evolving best practice standards.

Endorsing the updated Terms of Reference will ensure the Committee remains aligned with current legislative requirements and continues to operate effectively in its oversight role. It is recommended that the Committee endorse the revised Terms of Reference and recommend their adoption by Council.

ATTACHMENTS

1. 20251107 Draft Revised ARIC Terms of Reference [**11.2.1** - 8 pages]
2. 20251107 Draft Revised ARIC Terms of Reference (With Markup) [**11.2.2** - 12 pages]

ARC202526/016 COMMITTEE DECISION**MOVED: CMM Ronald Yuryevich****SECONDED: Deputy Chair Stephen Brown**

- 1. That the Audit, Risk and Compliance Committee receive and note the progress update against the management actions contained within the Audit Log, as per Attachment 1.**
- 2. That the CEO prioritises addressing all overdue audit log recommendations and provides a detailed report at the next quarterly Audit, Risk & Compliance Committee meeting, including timeframes for completion of each item.**

CARRIED BY SIMPLE MAJORITY (5/0)

For: Chair Baptiste Isambert, CMM Jessica Shaw, CMM Martin Aldridge, CMM Ronald Yuryevich and Deputy Chair Stephen Brown
Against: Nil

PURPOSE

The purpose of this report is for the Audit, Risk and Compliance Committee (the "ARC Committee") to receive and note the progress update against the management actions contained within the Audit Log, as per Attachment 1.

DETAIL

The Audit Log presented in this report is a consolidated record of all audit-related actions across the organisation. It brings together actions from multiple sources to provide a complete picture of audit compliance and governance.

Specifically, the Audit Log includes:

- Actions from the previous Strategic Internal Audit Plan (2020–23)
- Actions from the current Strategic Internal Audit Plan (2023–26)
- Findings and recommendations from the Office of the Auditor General (OAG), including:
 - Annual Audited Financial Statements for 2022-23 and 2023-24
 - Information Systems and IT General Controls Audits for 2022-23 and 2023-24

This consolidated approach ensures that all audit observations, whether internal or external, are captured in one register. Each item includes its risk rating, responsible officer, and current progress, allowing for effective oversight and prioritisation.

The purpose of maintaining a single Audit Log is to:

- Support timely monitoring and reporting of agreed management actions to the Committee
- Drive continuous improvement in governance, risk management, and compliance practices

Notable Updates

IAP0004 – Procurement & Contract Management Review

- *Finding:* Documented Procedures for Asset Receiving not in place
- *Update:* Tasks originally assigned to one business unit have been reallocated to another. To ensure transparency, these tasks have been recorded as a separate line item rather than merged with the original entry.

IAP0149 – 2024/25 Audit Log Review

- *Finding:* Risk Rating for Findings in the Audit Log
- *Update:* This item has been added to the log for tracking purposes following the previous audit review.

Duplicate Removed – 2023-2024 Financial Statements Audit

- *Finding:* Fixed asset control activities not appropriately designed and performed
- *Update:* A duplicate entry has been removed from active reporting. For transparency, it remains visible in this report but will be fully removed in future cycles.

Net Movement:

- +2 new items (IAP0004 reallocation, IAP0149 addition)
- -1 item (duplicate removed)
- Overall change: +1 item

Progress Overview

Progress is reported quarterly, showing changes from the previous reporting period to the current ARC meeting. This enables the Committee to track improvements, identify emerging risks, and address any overdue actions promptly.

Previous reporting period:

Quarter 4, 2024-25 Progress			
Completed	In progress	Not Started	Total
26	38	4	68

Current reporting period:

Quarter 1, 2025-26 Progress			
Completed	In progress	Not Started	Total
37	29	3	69

The Town's internal audit function undertakes periodic verification of items marked as complete by management. While this process was temporarily delayed due to resourcing constraints over the past 12 months, these gaps have now been closed, and verification activities will resume in the next reporting period. This will strengthen assurance and maintain the integrity of the Audit Log.

To further enhance confidence in the process, Paxon Group has scheduled an independent review in FY2025-26 to audit the log and confirm completion of actions.

In addition, the Town's audit software is currently experiencing minor technical issues when generating reports. To ensure Committee members have access to the necessary information, an Excel spreadsheet has been provided as an interim solution. The matter has been escalated to the software provider, with meetings scheduled for December 2025.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of N/A.

CONSULTATION

Internal

- Action Owners

External Agencies

- Paxon Group

Community

Nil.

LEGISLATION AND POLICY CONSIDERATIONS

- Regulation 17, *Local Government (Audit) Regulations 1996*

FINANCE AND RESOURCE IMPLICATIONS

There are no financial or resource implications associated with this item.

STRATEGIC SUSTAINABILITY IMPLICATIONS

Council Plan: Part A (Strategic Community Plan)

The following sections of the Town's Council Plan (Strategic Community Plan) 2025-2035 are applicable in consideration of this item:

4.2.3 Transparent and regular governance reporting and communication to the community is undertaken.

Access and Inclusion

The following outcome of the Town's Access and Inclusion Plan 2023-2026 apply in relation to this item:

Nil.

Council Plan Part B (Corporate Business Plan)

The following service of the Town's Council Plan (Corporate Business Plan) 2025-2035 apply in relation to this item:

Our Leadership:

Governance: Governance framework; procurement (including local business opportunities); Integrated Planning and Reporting; strategic risk management; internal audit; Audit, Risk and Compliance Committee.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Compliance
Cause	Failure to maintain and report an accurate, consolidated audit log
Effect	Reduced transparency, delayed oversight by the ARC Committee, and potential gaps in governance assurance
Risk Treatment	Regular updates to the audit log, quarterly reporting to ARC, recommencement of internal verification, and scheduled independent review by Paxon Group

There is an operational compliance risk associated with this item caused by failure to maintain and report an accurate, consolidated audit log, which could lead to reduced transparency and delayed oversight.

The risk rating is considered to be Low (4) which is determined by a likelihood of Unlikely (2) and a consequence of Minor (2).

This risk will be mitigated through quarterly reporting, recommencement of internal verification processes, and an independent review scheduled for FY2025-26.

OPTIONS

Option 1 – Adopt officer’s recommendation

Option 2 – Amend officer’s recommendation

Option 3 – Do not adopt officer’s recommendation

CONCLUSION

The consolidated Audit Log gives the Committee a clear and complete view of all audit-related actions across the organisation, including internal audit recommendations and findings from external audits.

Most actions are either complete or well underway, and accountability for outstanding items is clearly defined. Internal verification will resume in the next reporting period, supported by an independent review scheduled for FY2025-26, adding an extra layer of assurance.

Ongoing quarterly updates and a structured audit tracking process will help the Town maintain compliance, strengthen risk management, and continue improving governance practices.

ATTACHMENTS

1. CONFIDENTIAL REDACTED - Audit Log Q1 2025-26 [**11.3.1** - 9 pages]

11.4**Quarterly Risk Register Review**

Author: Senior Audit, Risk & Insurance Advisor

Authorising Officer: Manager Governance

Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

ARC202526/017 COMMITTEE DECISION

MOVED: CMM Jessica Shaw

SECONDED: CMM Ronald Yuryevich

That the Audit, Risk and Compliance Committee receives the Quarterly Risk Report.

CARRIED BY SIMPLE MAJORITY (5/0)

For: Chair Baptiste Isambert, CMM Jessica Shaw, CMM Martin Aldridge, CMM Ronald Yuryevich and Deputy Chair Stephen Brown

Against: Nil

PURPOSE

The purpose of this report is to provide the Audit, Risk and Compliance (ARC) Committee with an update on the Town's risk management activities.

DETAILRisk Management Documentation & Systems

The Town of Port Hedland has established key documentation to support a consistent and integrated approach to risk management across the organisation. These documents ensure both internal and external stakeholders are aligned with the Town's risk management practices. Core documents include:

- Policy 1/022 Risk Management
- Risk Appetite Statement
- Risk Management Framework (RMF)
- Risk Management Internal Operating Procedures

Together, these documents promote the integration of risk management into strategic planning, operational decision-making, and day-to-day activities. They define the processes for identifying, assessing, monitoring, and reviewing risks, in line with best practice and ISO 31000 principles.

To support the implementation of these processes, the Town utilises Riskconnect (formerly Camms) as its central risk management system. Riskconnect enables the registration, monitoring, and reporting of strategic and operational risks. Risk data is maintained in a centralised register, accessible to relevant stakeholders.

Quarterly risk review meetings are held with risk owners and departmental representatives to ensure risks are updated and remain current. In accordance with the RMF, risk owners are also encouraged to review and update their risks more frequently where the residual risk level warrants closer monitoring.

The Town of Port Hedland applies a structured, multi-stage approach to risk assessment, as outlined in the Risk Management Framework (RMF). This process ensures risks are evaluated consistently and in alignment with the Town's Risk Assessment and Acceptance Criteria.

Overview of Risk Assessment Process

1. Inherent Risk Assessment

This initial assessment evaluates the risk in its raw state, prior to the application of any controls or mitigation strategies. It focuses solely on the potential impact and likelihood of the risk occurring, providing a baseline understanding of exposure.

2. Residual Risk Assessment

This assessment considers the effectiveness of existing controls and mitigation measures. It reflects the Town's actual exposure to risk after controls are applied and is used to determine whether the risk falls within acceptable thresholds.

3. Forecast/Future Risk Assessment

If the residual risk remains above the Town's risk acceptance criteria, further treatment options are explored to reduce exposure. In some cases, risks may remain outside acceptable levels despite mitigation efforts; these require closer monitoring, regular review, and escalation where appropriate.

Strategic Risks

Strategic risks are inherently tied to the Town's strategic objectives and are shaped by both external factors, such as regulatory changes, and internal influences, including strategic decision-making and resource allocation. These risks are overseen at the Executive Leadership Team (ELT) level.

Since the last Audit, Risk & Compliance (ARC) Committee meeting, the ELT, Department Managers, and the Audit & Risk team have engaged in a workshop

facilitated by an external consultant. The focus of this session was to review the Town's Risk Appetite Statement and reassess its strategic risks.

Key outcomes and next steps from the workshop include:

- A comprehensive review of the Risk Appetite Statement
- Re-evaluation of strategic risks to ensure alignment with both the strategic objectives and the updated Risk Appetite Statement
- Identification and consideration of any emerging strategic risks

Strategic risks are reported to the ARC Committee at least annually. As the last report was presented in August 2025 and the next ELT review is yet to occur, strategic risks have been excluded from this current report.

Operational Risks

In accordance with reporting requirements, the Town must present operational risks with a residual rating of *High* or *Extreme* to the ARC Committee on a quarterly basis. These risks have been reviewed and are detailed in Attachment 1.

Additionally, Attachment 2 provides key statistics from the full operational risk register, including all risk levels from *Low* to *Extreme*, offering a comprehensive overview of the Town's operational risk landscape.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance. This is based on the potential impact of operational risks on the organisation's strategic objectives, service delivery, financial sustainability, and reputation.

CONSULTATION

Internal

- Executive Leadership Team
- Strategic Leadership Team

External Agencies

Nil.

Community

Nil.

LEGISLATION AND POLICY CONSIDERATIONS

- AS ISO31000:2018 Risk Management Guidelines
- 1/022 Risk Management Policy
- Town of Port Hedland Risk Management Framework

FINANCE AND RESOURCE IMPLICATIONS

Certain risks outlined in the Risk Register could potentially have financial implications for the Town should they materialise. These specific risks and their corresponding financial implications have been thoroughly documented within the Risk Register.

STRATEGIC SUSTAINABILITY IMPLICATIONS

Council Plan: Part A (Strategic Community Plan)

The following sections of the Town's Council Plan (Strategic Community Plan) 2025-2035 are applicable in consideration of this item:

4.2.3 Transparent and regular governance reporting and communication to the community is undertaken.

Access and Inclusion

The following outcome/s of the Town's Access and Inclusion Plan 2023-2026 apply in relation to this item:

Nil

Council Plan Part B (Corporate Business Plan)

The following service of the Town's Council Plan (Corporate Business Plan) 2025-2035 apply in relation to this item:

Our Leadership:

Governance: Governance framework; procurement (including local business opportunities); Integrated Planning and Reporting; strategic risk management; internal audit; Audit, Risk and Compliance Committee.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Compliance
Cause	Inconsistent application of risk management procedures across departments

Effect	Potential non-compliance with internal policies and inaccurate reporting
Risk Treatment	Treat
<p>There is an operational risk associated with this item caused by inconsistent application of risk management procedures across the organisation, leading to potential non-compliance with internal policies and inaccurate reporting.</p> <p>The risk rating is considered to be Medium (6) which is determined by a likelihood of Unlikely (2) and a consequence of Moderate (3).</p> <p>This risk has been treated through quarterly reviews between the Audit and Risk team and risk owners, supported by corporate training and awareness initiatives to promote consistency in risk practices across the organisation.</p>	

OPTIONS

- Option 1 – Adopt officer’s recommendation
- Option 2 – Amend officer’s recommendation
- Option 3 – Do not adopt officer’s recommendation

CONCLUSION

The Town continues to strengthen its risk management practices through structured processes, robust documentation, and regular engagement with internal stakeholders. The integration of strategic and operational risk oversight ensures that risks are identified, assessed, and managed in alignment with the Town’s strategic objectives and risk appetite.

This quarterly report provides the ARC Committee with a clear overview of the Town’s current risk profile, including key operational risks and progress on strategic risk review activities.

ATTACHMENTS

1. CONFIDENTIAL REDACTED - Q1 2025-26 Operational Risk Register (High & Extreme Residual) [**11.4.1** - 1 page]
2. CONFIDENTIAL REDACTED - Key Statistics Operational Risk Register [**11.4.2** - 1 page]

11.5**Strategic Internal Audit Plan - 2024-2025 Review 2 - Regulation 5****Author:** Senior Audit, Risk & Insurance Advisor**Authorising Officer:** Manager Governance**Disclosure of Interest:** The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.**ARC202526/018 COMMITTEE DECISION****MOVED: CMM Jessica Shaw****SECONDED: Deputy Chair Stephen Brown****That the Audit, Risk and Compliance Committee:**

- 1. Receive the 2024–25 Financial Year Internal Audit Report on Regulation 5 (Financial Management), as provided in Attachment 1.**
- 2. Recommend that Council receive the 2024–25 Financial Year Internal Audit Report on Regulation 5 (Financial Management), as provided in Attachment 1.**

CARRIED BY SIMPLE MAJORITY (5/0)*For: Chair Baptiste Isambert, CMM Jessica Shaw, CMM Martin Aldridge, CMM Ronald Yuryevich and Deputy Chair Stephen Brown**Against: Nil***PURPOSE**

The purpose of this report is to present the findings of the 2024–25 Financial Year Internal Audit conducted in accordance with Regulation 5 of the *Local Government (Financial Management) Regulations 1996*. The agreed management actions arising from the audit will be recorded in the Town of Port Hedland's (the 'Town') Audit Log, with progress updates provided to the Audit, Risk and Compliance (ARC) Committee as part of routine reporting.

DETAIL

On 9 May 2023, the Town of Port Hedland awarded a contract to Paxon Group to deliver the Three-Year Strategic Internal Audit Plan for the period FY2023–24 to FY2025–26. Following this engagement, Paxon Group developed a Strategic Three-Year Rolling and Annual Internal Audit Plan, which was considered and adopted by the ARC Committee on 8 August 2023 (Committee Decision: ARC202324/004).

In line with the adopted Internal Audit Plan, Paxon Group was engaged to undertake a Financial Management Review on behalf of the Chief Executive Officer (CEO), as

required under Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*, which states:

"The CEO is to – undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews."

The Regulation 5 Review focused on the risk that the Town's systems and procedures relating to financial management are not appropriate and effective. The following specific areas were reviewed:

- Proper collection of all money owing to the local government
- Safe custody and security of all money collected or held by the local government
- Maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process)
- Ensure proper accounting for all income, expenditure, assets, liabilities of the municipal or trust funds
- Ensure proper authorisation for the incurring of liabilities and the making of payments
- Maintenance of payroll, stock control and costing records
- Preparation of budgets, budget reviews, accounts and reports required by the Act or regulations

This included a review of processes and key controls within these areas.

The review covered the period from 1 July 2024 to 28 February 2025, with information received from the Town between May and September 2025.

The internal audit identified a total of five findings: one rated as high risk, three as medium risk, and one as low risk.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance. While the audit does not present immediate or critical threats, the presence of a high-risk finding and several medium-risk issues warrants attention from the ARC Committee to ensure appropriate corrective actions are implemented and monitored.

CONSULTATION

Internal

- ELT
- Manager Financial Services
- Manager Governance
- Senior Procurement & Contracting Advisor

External Agencies

- Paxon Group

Community

Nil.

LEGISLATION AND POLICY CONSIDERATIONS

Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996*, states:

"The CEO is to – undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews."

FINANCE AND RESOURCE IMPLICATIONS

The review was estimated to take 100 hours to complete, with a total cost of \$15,400 incl GST.

STRATEGIC SUSTAINABILITY IMPLICATIONS**Council Plan: Part A (Strategic Community Plan)**

The following sections of the Town's Council Plan (Strategic Community Plan) 2025-2035 are applicable in consideration of this item:

4.2.3 Transparent and regular governance reporting and communication to the community is undertaken.

Access and Inclusion

The following outcome of the Town's Access and Inclusion Plan 2023-2026 apply in relation to this item:

Nil.

Council Plan Part B (Corporate Business Plan)

The following service of the Town's Council Plan (Corporate Business Plan) 2025-2035 apply in relation to this item:

Our Leadership:

Governance: Governance framework; procurement (including local business opportunities); Integrated Planning and Reporting; strategic risk management; internal audit; Audit, Risk and Compliance Committee.

Customer Service: Customer Service Strategy and Charter; general enquiries; cat/dog registration and payments.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Reputational
Cause	Inadequate response to internal audit findings or delays in implementing corrective actions.
Effect	Loss of stakeholder confidence, negative public perception, and potential scrutiny from regulators.
Risk Treatment	Treat
<p>There is an operational reputational risk associated with this item, caused by potential delays or insufficient follow-through on internal audit recommendations. This could lead to reduced stakeholder confidence and reputational damage.</p> <p>The risk rating is considered Medium (6), based on a Possible (3) likelihood and a Minor (2) consequence.</p> <p>This risk will be treated through quarterly meetings between the Audit & Risk team and Action Owners, ongoing monitoring via the Audit Log, and regular reporting to the ARC Committee.</p>	

OPTIONS

Option 1 – Adopt officer’s recommendation

Option 2 – Amend officer’s recommendation

Option 3 – Do not adopt officer’s recommendation

CONCLUSION

The 2024–25 Financial Year Internal Audit Report on Regulation 5 (Financial Management) provides valuable insights into the effectiveness of the Town’s financial management systems and procedures. The identification of one high-risk, three medium-risk, and one low-risk finding highlights areas requiring attention to strengthen internal controls and ensure ongoing compliance with legislative requirements.

The Town has committed to addressing the findings through documented management actions, which will be tracked via the Audit Log and reported to the ARC

Committee. This process supports continuous improvement, transparency, and sound governance practices.

It is recommended that the ARC Committee receive and note the report and endorse its submission to Council as required by the *Local Government (Financial Management) Regulations 1996*.

ATTACHMENTS

1. CONFIDENTIAL REDACTED - 20251030 Town of Port Hedland Final Regulation 5 Report [**11.5.1** - 17 pages]

11.6**Procurement Report on Panels Usage**

Author: Senior Procurement & Contracting Advisor

Authorising Officer: Manager Governance

Disclosure of Interest: The Author and/or Authorising officer declare that they have a financial interest in relation to this item.

ARC202526/019 COMMITTEE DECISION

MOVED: CMM Ronald Yuryevich

SECONDED: CMM Martin Aldridge

That the Audit, Risk and Compliance Committee note 'Nil' identified non-compliance with Policy 2/022 Panels of Pre-Qualified Suppliers for Quarter 1 Financial Year 2025-26.

CARRIED BY SIMPLE MAJORITY (5/0)

For: Chair Baptiste Isambert, CMM Jessica Shaw, CMM Martin Aldridge, CMM Ronald Yuryevich and Deputy Chair Stephen Brown
Against: Nil

PURPOSE

The purpose of this report is for Council to consider as part of Panels of Pre-Qualified Suppliers Policy 2/022, Section 3 Compliance and Reporting the Town shall on a quarterly basis report to the Town's Audit, Risk and Compliance Committee any identified non-compliance with the Policy.

DETAIL

In accordance with Regulation 24AC of the Local Government (Functions and General) Regulations 1996, the Town established the following Panels of Pre-Qualified Suppliers.

Panel Number	Pre-Qualified Panel Name	Total Active Contracts	No. of Contract Extensions (1 year)
RFT2324-01	Construction	6	6
RFT2324-05	Trades	13	13
RFT2324-20	Construction Professionals	31	31
RFT2324-19	Contractors & Trades	15	15
RFT2324-22	Civil Construction Material	4	4

RFT2425-11	Graphic Design	7	Extensions in progress for January 2026.
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As per section 2.2 of Policy 2/022 Panels of Pre-Qualified Suppliers, the Town exercises one of the following options for the distribution of work:

- a) The Town will obtain quotations from each pre-qualified supplier on the panel for all purchases.

Or

- b) The Town will purchase goods and services exclusively from any prequalified supplier appointed to that panel.

The quotes obtained are authorised in accordance with the Town's Delegation Register. All Business Units engaging under a Panel arrangement should document the suppliers from whom they have requested quotes as well as those who have provided quotes to increase oversight over panel contracts. Supporting documentation must be sighted to confirm that this process has been followed. By recording the suppliers approached against the supplier responses, we are demonstrating our commitment to engaging a diverse range of suppliers and highlighting the level of participation from local suppliers in the opportunity to join our Panels.

In every instance, a contract for an item of work with a prequalified supplier is not to exceed 12 months or include any options to renew or extend.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of N/A.

CONSULTATION

Internal

- Senior Procurement and Contracting Advisor

External Agencies

Nil.

Community

Nil.

LEGISLATION AND POLICY CONSIDERATIONS

- Policy 2/022 - Panels of Pre-Qualified Suppliers.
- Policy 2/007 - Procurement Policy
- Regulation 24AC of the Local Government (Functions and General) Regulations 1996

FINANCE AND RESOURCE IMPLICATIONS

Nil.

STRATEGIC SUSTAINABILITY IMPLICATIONS

Council Plan: Part A (Strategic Community Plan)

The following sections of the Town's Council Plan (Strategic Community Plan) 2025-2035 are applicable in consideration of this item:

4.2.3 Transparent and regular governance reporting and communication to the community is undertaken.

Access and Inclusion

The following outcome/s of the Town's Access and Inclusion Plan 2023-2026 apply in relation to this item:

Nil.

Council Plan Part B (Corporate Business Plan)

The following service of the Town's Council Plan (Corporate Business Plan) 2025-2035 apply in relation to this item:

Our Leadership:

Governance: Governance framework; procurement (including local business opportunities); Integrated Planning and Reporting; strategic risk management; internal audit; Audit, Risk and Compliance Committee.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Financial
Cause	Failure to implement the right procedure.
Effect	Non-compliance with industry best practice.
Risk Treatment	The risk will be mitigated by ensuring officers follow the procedures as per the procurement requirements in accordance with the Town's Policy documents.
There is a Operational, risk associated with this item caused by because failure to implement the right procedure will result in non-compliance with industry best practice.	

The risk rating is considered to be Medium (6) which is determined by a likelihood of Possible (3) and a consequence of Minor (2).

This risk will be treated by ensuring officers follow the procedures as per the procurement requirements in accordance with the Town's Policy documents.

OPTIONS

Option 1 – Adopt officer's recommendation

Option 2 – Amend officer's recommendation

Option 3 – Do not adopt officer's recommendation

CONCLUSION

In accordance with the Panels of Pre-Qualified Suppliers Policy 2/022, Section 3, Compliance and Reporting, this report presents the Audit, Risk and Compliance Committee with an overview of the Procurement findings for non-compliance with the Panels Policy for the quarter 01 July to 30 June 2025.

ATTACHMENTS

1. CONFIDENTIAL REDACTED - Panels Engagement Report Q 1 202526 [**11.6.1** - 1 page]
2. CONFIDENTIAL REDACTED - Panels Contracts Usage - One Connect - Q 1 202526 [**11.6.2** - 1 page]
3. CONFIDENTIAL REDACTED - Vendor Panel Supplier Engagement Q 1 202526 [**11.6.3** - 1 page]

11.7	Enterprise Resource Planning Implementation Progress Report
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Author: **Manager ERP Project**

Authorising Officer: **Director Corporate Services**

Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

ARC202526/020 COMMITTEE DECISION

MOVED: CMM Jessica Shaw

SECONDED: Deputy Chair Stephen Brown

That the Audit Risk and Compliance Committee review the progress report on the OneConnect Enterprise Resource Planning Phase 2 Optimisation program.

CARRIED BY SIMPLE MAJORITY (5/0)

For: Chair Baptiste Isambert, CMM Jessica Shaw, CMM Martin Aldridge, CMM Ronald Yuryevich and Deputy Chair Stephen Brown

Against: Nil

PURPOSE

This report is to inform the Audit Risk and Compliance Committee on the progress of the Town of Port Hedland’s Enterprise Resource Planning (ERP) Implementation Project Control Group (PCG).

DETAIL

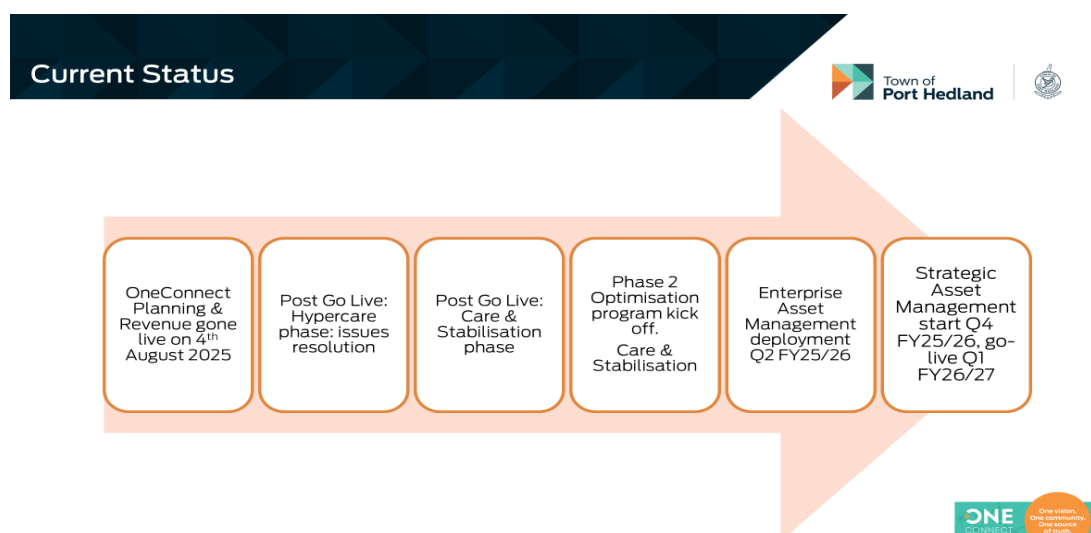
Background

At the 30 June 2021 Ordinary Council Meeting report 11.1.3 Award of RFT 2021022 – Enterprise Resource Planning (ERP) Software SAAS was endorsed by Council. Awarded to Technology One, it was initially proposed as a 5-year project with forecast project expenditure of \$6,383,000. Project budget funds are allocated annually.

	20/21	21/22	22/23	23/24	24/25	Total
Operating	174	450	306	312	-	1,242
Capital	500	2,000	1,464	997	180	5,141
Total	674	2,450	1,770	1,309	180	6,383

→ Approved Budget-OCM 30 June 2021

The provision of Technology One license fees and implementation were estimated at \$2,680,412 (excluding GST and CPI contracted increases). The balance of \$3,596,109 was budgeted for costs relating to:



- Appointment of a dedicated ERP project team;
- Organisational change management processes;
- Organisational training; and
- Data cleansing and data migration processes.

The initial ERP contract period is six (6) years, however there are a further two (2) by three (3) year contract option extensions and one (1) by two (2) years. This represents a total potential contract term of fourteen (14) years (1Jul21 – 30Jun35).

At the previous Audit Risk and Compliance committee meeting 12 August 2025, the ERP project reconciliation, forecast review and variation requests along with carry over 2024-2025 funding details, revised the project forecast to \$9.118M. The project's financial history is included as **Attachment 1**.

Project Update: November 2025

Summary timeline

Updates since the previous report, are currently:

- Enterprise Asset Management redeployed Q1 FY25/26.
- Strategic Asset Management pushed to start Q4 FY25/26 to go-live Q1 FY26/27. Providing enough time for users to mature with the EAM module and improved data integrity.
- Phase 2 Optimisation program commenced Q2 FY25/26 including Human Resources (HR) & Finance Gaps from Release 1a and modules Grants, MySafety, Digital Experience Platform, Customer Relationship Management, and remaining HR Modules.

Module Delivery Overview

The OneCouncil ERP Program has progressed significantly across its phased implementation program:

- **Phase 1 – Core Platform (FY20/21 to FY23/24):**
- Of the 23 foundational modules:
 - 16 modules have been fully delivered and are operational.
 - 4 modules are partially delivered, with final optimisation planned for FY25/26.
 - 3 modules are not yet delivered and are included in the Phase 2 Optimisation scope.

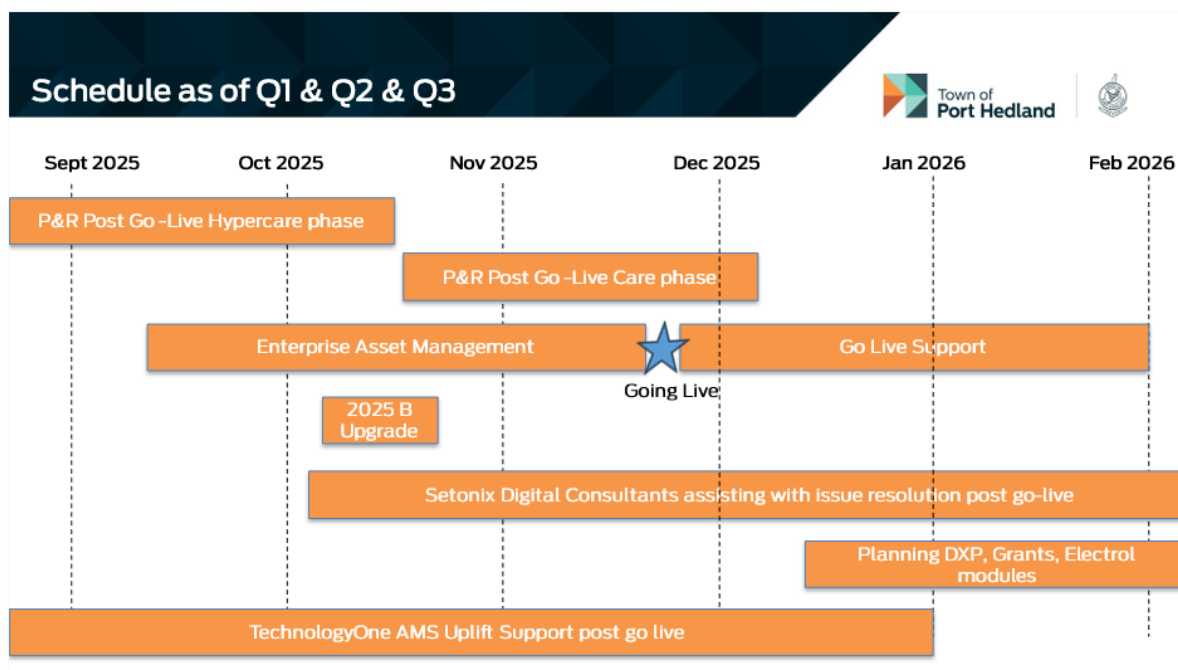
- **Phase 2 – Planning and Regulatory (PnR) (FY24/25):**
- This phase comprises 13 modules. As of July 2025:
 - 2 modules have been delivered.
 - 11 modules are currently in advanced stages of data migration, configuration, and user acceptance testing, with a scheduled go-live date of August 2025.

- **Phase 2 – Optimisation (FY25/26):**
- Six modules are scheduled for delivery in FY25/26, contingent on resourcing and funding confirmation. These modules support improved functionality, user experience, and digital integration aligned with business improvement initiatives.

Module Name	License Purchased	Notes
Phase 2 Planning & Revenue		
Spatial Management	Y	Deployed
Portals (externals accessing)	Y	Deployed
Revenue Management	Y	End of Care Phase Q3
Debtors Management	Y	End of Care Phase Q3
Enterprise Cash Receipting	Y	End of Care Phase Q3
Billing	Y	End of Care Phase Q3
Property and Rating	Y	End of Care Phase Q3
Request Management	Y	End of Care Phase Q3
Property & Land Management	Y	End of Care Phase Q3
Name Management	Y	End of Care Phase Q3
Policy & Compliance	Y	End of Care Phase Q3
Development Applications	Y	End of Care Phase Q3
Enterprise Content Management	Y	Deployed
Phase 2 Optimisation Modules		
V10 DXP	Y	Q4 FY25/26 Go live
V12 Grants	Y	Q4 FY25/26 Go live
Strategic Asset Management (SaaS)	Y	Q4 FY25/26 Go live
V13 MySafety <i>*Replaces WHS Monitor Software</i>	Y	Q4 FY25/26 Go live
Mobile & Field Apps	Y	Q2 FY25/26 Go live
V14 Electoral	Y	Q4 FY25/26 Go live

Project Timeline

The P&R Phase 2 went live on the 4th of August 2025. Post Go Live, the project entered Hypercare and Care phase. New modules planned for Phase 2 Optimisation scheduled kick-off in Q3 & Q4 FY25/26.



Current position of the OneConnect Implementation.

Key milestones:

- **Successful Rates Billing Using OneConnect**
- The 2025/26 Rates Billing cycle was completed within OneConnect, confirming the system's accuracy, reliability, and readiness to support ongoing financial operations.
- **Enterprise Content Management (ECM) Data Migration Completed**
- ECM data migration was successfully delivered during hypercare and moved into the live environment, ensuring continued access to corporate records and compliance with governance standards.
- **Post-Go-Live Stabilisation Program Implemented**
- A structured stabilisation program is underway, focusing on system performance, defect resolution, and process optimisation in partnership with business units and TechnologyOne AMS.

Project Risks and Mitigations

- **Knowledge Transition and Consulting Continuity**

The dismantlement of the KPMG Consulting team following go-live has created a knowledge and capability gap across core ERP functional areas. This presents a risk to continuity in issue resolution, configuration management, and the delivery of remaining Phase 2 optimisation items.

Mitigation: A new consulting partner has been engaged to support the Town through the Hypercare and Care phases. Structured handover sessions with updated configuration documentation, and parallel shadowing with the incoming consultants are underway to ensure retention of project knowledge, technical continuity, and process integrity.
- **Hypercare Support and Issue Resolution Capacity**

The post-go-live Hypercare period has generated a significant volume of service requests and defect remediation activities, which could exceed available consultant and internal team capacity. Delayed issue resolution risks undermining user confidence and slowing operational stabilisation.

Mitigation: A prioritised incident management framework is in place, coordinated through the ERP Project Office. Issues are categorised by severity, tracked through the OneConnect Helpdesk, and reviewed weekly with TechnologyOne and consulting partners to ensure escalation and timely closure. A reporting dashboard provides visibility of resolution trends to the Project Control Group.

- **Training Gaps and Staff Readiness**

Reduced access to structured training following go-live has resulted in uneven user competency across business units, leading to inconsistent process execution and ongoing reliance on legacy practices.

Mitigation: A targeted refresher training program has been launched, focusing on module-specific and role-based learning. The ERP team, in collaboration with consultants, is developing quick-reference materials, on-demand eLearning modules, and in-person coaching sessions to improve confidence and consistency of system use.

- **Project Team Wellbeing and Retention**

The sustained workload across go-live, Hypercare, and the transition into Phase 2 Optimisation has placed ongoing pressure on the ERP Project Team. Risks include fatigue, reduced productivity, and potential staff turnover, which could affect delivery continuity and project governance.

Mitigation: Leadership is actively managing workloads, prioritising critical deliverables, and staggering Phase 2 activities to balance capacity. Wellbeing initiatives include flexible work arrangements, leave planning, and regular check-ins to monitor morale and resilience. Key positions are being reviewed to ensure sustainable resourcing through the optimisation phase.

Commercial:

TechnologyOne (T1) Contract

A significant amount of time has been spent reviewing the TechnologyOne (T1) contract. One of the ERP project benefits has been the introduction of a contract management module, which has supported this review process.

While this is a commercial alignment, it has had a material impact on the project's current budget position. The contract variation includes:

- CPI increases applied to contract rates; and
- License fee uplifts in line with TechnologyOne's current pricing structure.

These adjustments reflect valid obligations already incurred and ensure the contract accurately reflects services delivered to date. This alignment improves transparency and provides a more reliable foundation for future contract management and forecasting.

In addition, the Town has utilised TechnologyOne AMS Uplift Support services during the Hypercare and Care period to assist with issue resolution, configuration

refinements, and post-go-live stabilisation activities. This uplift arrangement provides access to specialised consultants and priority response pathways, ensuring continuity of service and timely remediation of system defects during the transition to Phase 2 Optimisation.

Chartertech (KPMG) Contract – Not Extended

The Chartertech (KPMG) contract was not extended beyond the original scope of work. Following an internal review, the contract did not meet the Town's *value for money* requirements under the procurement framework.

While KPMG contributed significant expertise during the build and implementation phases, post-go-live evaluation identified a lack of alignment between ongoing deliverables, consultant continuity, and the Town's future ERP optimisation requirements.

Setonix Digital Engagement

To maintain momentum and continuity through the post-go-live period, Setonix Digital was engaged to provide targeted consulting support across technical and functional streams. Their role includes assisting with the issue of triage, environment management, and defect resolution, while also supporting internal staff training and capability development.

Setonix Digital is also contributing to the Phase 2 Optimisation Program, assisting in forward planning, scoping outstanding modules, and delivering enhancement activities. This engagement strengthens the Town's delivery capacity and ensures a consistent consulting presence as the OneConnect system transitions into its optimisation and maturity phases.

The Project Control Group (PCG) summary of project tasks is included as **Attachment 2**.

Next Steps

- Complete System Stabilisation and Close Hypercare.
- Commence Phase 2 Optimisation Program
- Embed Knowledge Transfer and Capability Building
- Continue contract governance, financial oversight, and reporting to support transparency and accountability.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be significant. A decision that will significantly affect the capacity of the Council to carry out any activity identified in the strategic plan.

CONSULTATION

Internal

- Town of Port Hedland Staff

External Agencies

- Technology One Vendor Support
 - Town staff attended the Showcase Release 26-27 in Melbourne
- KPMG consultancy
- Sentonix Digital

Community

- Public feedback through request logging mechanisms

LEGISLATION AND POLICY CONSIDERATIONS

- Digital Roadmap 2024 – 2027
- ISO/IEC 27001 Compliance for cybersecurity measures

FINANCE AND RESOURCE IMPLICATIONS

Current project actual cost and future estimates are as follows:

FY 25/26 Phase 2 Optimisation Project Budget Forecasts

Employee Costs	\$612,742	
Additional Variations Requested	\$341,430	
Optimisation FY25/26 Implementation costs	\$750,000	
SaaS Annual Licence	\$535,000	
	\$2,239,172	ERP Phase 2 Optimisation FY25/26
Total Project Actuals YTD 30 June 2025	\$6,879,725	
Plus FY 25/26 Phase 2 Optimisation	\$9,118,897	ERP Project Implementation Forecast Cost

STRATEGIC SUSTAINABILITY IMPLICATIONS

Council Plan: Part A (Strategic Community Plan)

The following sections of the Town's Council Plan (Strategic Community Plan) 2025-2035 are applicable in consideration of this item:

Our Leadership:

4.2.2 Transparent and regular financial reporting and communication to the community is undertaken.

4.2.3 Transparent and regular governance reporting and communication to the community is undertaken.

4.3.1 High-quality and responsive customer service is provided.

There are no significant identifiable environmental, social or economic impacts relating to this item

Access and Inclusion

The following outcome/s of the Town's Access and Inclusion Plan 2023-2026 apply in relation to this item:

Nil.

Council Plan Part B (Corporate Business Plan)

The following service of the Town's Council Plan (Corporate Business Plan) 2025-2035 apply in relation to this item:

Our Corporate Services:

Governance and Procurement - Provide high standards of governance and leadership.

Financial Management and Rates - Financial management services compliant with legislation to enable the Town to sustainably provide services to the community.

Information Communications Technology - To provide a reliable and cost-effective Information Communications Technology (ICT) solution that meets users' needs.

Records Management - Records managed effectively in accordance with the State Records Act.

Strategic and Corporate Planning - Planning for the Future (Integrated Planning and Reporting): community vision, clear strategic direction and financial sustainability.

Audit and Risk Management - Committed to organisation wide risk management principles, systems and processes that ensure consistent, efficient and effective assessment of risk in all planning, decision making and operational processes.

Customer Service - High quality and responsive customer service is provided.

Our Infrastructure Services:

Projects and Assets - Effective and efficient project and asset management.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational Project
Risk Category	Financial Service Interruption
Cause	Resource demands
Effect	Organisational capacity and service delivery
Risk Treatment	Additional resources and effective project management
<p>There is both a Project and Operational risk associated with this item caused by the need to manage resource demands and meet task milestones, leading to increased workload which impacts day to day service delivery.</p> <p>The risk rating is considered to be Medium (9) which is determined by a likelihood of Possible (3) and a consequence of Moderate (3).</p> <p>This risk will be accepted through effective project management and oversight reporting.</p>	

OPTIONS

- Option 1 – Adopt officer’s recommendation
- Option 2 – Do not adopt officer’s recommendation

CONCLUSION

The Town of Port Hedland Enterprise Resource Planning Implementation Project integrates several Corporate Business Plan initiatives and strategies, including the Digital Road Map, Customer Service Strategy and Asset Management.

A forward program of works to implement core modules and then achieve optimal effectiveness of the system has been established with a 12-month timeframe remaining.

ATTACHMENTS

1. CONFIDENTIAL REDACTED - ERP Project Variations and ARC Reporting (004)
[11.7.1 - 4 pages]

2. CONFIDENTIAL REDACTED - ERP - PCG - Attachment S L 2525 Nov [**11.7.2** - 2 pages]

11.8	Asset Management Framework Progress Report
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Author: **Acting Senior Asset Management**

Authorising Officer: **Director Corporate Services**

Disclosure of Interest: The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

ARC202526/021 COMMITTEE DECISION

MOVED: CMM Jessica Shaw

SECONDED: CMM Ronald Yuryevich

That the Audit Risk and Compliance Committee receive the progress report on the Asset Management Framework.

CARRIED BY SIMPLE MAJORITY (5/0)

*For: Chair Baptiste Isambert, CMM Jessica Shaw, CMM Martin Aldridge, CMM Ronald Yuryevich and Deputy Chair Stephen Brown
Against: Nil*

PURPOSE

This report provides an update to the Audit Risk and Compliance Committee regarding the progress made by the Asset Management Framework (AMF) Project Control Group in advancing the implementation of the Town’s AMF.

DETAIL

The Town has made notable progress in implementing its AMF since the last report. The table below provides the current status of each focus area.

Focus Area	Status Update
Prior Audit Findings	<p>1. Asset Movement Report</p> <p>Movement report completed in OneConnect; Was reviewed and sent back to contractor for minor adjustments</p> <p>2. Land & Buildings Revaluation</p> <p>Completed revaluation. OneConnect updated and currently awaiting outcome of Audit</p>

	<p>3. Auditors</p> <p>Assets have been reinstated and revalued as per Auditors request and are currently being assessed.</p> <p>4. Automated Workflow for the creation for new assets</p> <p>An automated workflow has been implemented within OneConnect. The process follows the identification of new assets by the Projects Team, the creation and attribute updates by the Engineers and Asset Team, and the capitalisation by the Finance team.</p> <p>This workflow streamlines the process from asset creation through to capitalisation, ensuring accountability across various teams</p> <p>5. Project Closeout (PC)</p> <p>All Capital Projects will only reach PC once the Engineers and Assets Team receive all asset attributes from contractor. This will ensure all new assets are identified, created and updated prior to capitalisation can take place, ensuring the integrity of the data.</p>
<p>Roles and Responsibilities</p>	<p>A document setting out the detailed roles and responsibilities for the different aspects of Asset Management, has been endorsed by AMF PCG on 5 August 2025. Included as attachment 2.</p>
<p>Asset Management Plans</p>	<p>1. AMP version 2</p> <p>The initial version of the Asset Management Plans (AMPs) has been completed. Following this, the AMF PCG has requested the development of a more comprehensive second version, with a completion deadline set for 31 January 2026.</p> <p>This new version of the AMPs will incorporate both Maintenance and Renewal Schedules, providing greater detail regarding cost projections and ongoing maintenance requirements. The intention is to deliver a more robust and informative framework for the continued management of assets.</p>

	<p>To facilitate the preparation of AMPs version 2, a contractor has been engaged. The updated plans will specifically address the following asset classes:</p> <ul style="list-style-type: none"> • Roads • Plant and Equipment <ul style="list-style-type: none"> • IT Equipment • CCTV Equipment • Heavy & Light Fleet • Drainage • Parks, Open Space, and Public Art • Footpaths • Buildings and Structure <p style="text-align: center;">2. Forward Capital Works Projections (FCWP)</p> <p>Currently in progress. Infrastructure Services are actively reviewing the program of new, and renewal works and their associated estimates, deadline 30 November 2025.</p> <p style="text-align: center;">3. Senior – Asset Management</p> <p>The organisation has engaged a new Senior Asset Management professional to further strengthen its asset management capabilities. The appointed individual is scheduled to commence duties on Monday, 17 November 2025.</p> <p>This strategic hire is expected to support the delivery of key asset management initiatives and provide leadership in the ongoing improvement of asset-related processes and outcomes.</p>
<p>Registers</p>	<p>1. Definition Document</p> <p>A document has been developed and endorsed by AMF PCG on 25 August 2025, that aligns asset component definitions between ASPEC and financial standards. Included as attachment 1.</p>

2. Naming Convention

Asset renaming is progressing by class in line with ISO 55001. Buildings—both Specialised and Non-Specialised—are complete, with remaining asset classes to be addressed next.

4. SOP Asset Creation

SOP for Asset Creation will go to the next AM PCG for endorsement

3. Roads Revaluation Project for FY25/26

In alignment with the established revaluation schedule, the Roads asset class is scheduled for valuation in 2025/2026 (FY25/26). The Engineering and Asset team is currently undertaking a dedicated project to incorporate attribute data.

This effort ensures that asset information remains accurate and up to date. As part of this project, a total of 6,443 Road assets and components require updates specifically related to their Straight-Line Kilometres (SLK's) and material composition.

This comprehensive update is essential for maintaining the integrity and reliability of the asset register in preparation for the upcoming valuation process. Asset Register to be updated by the beginning of March

Finance will engage the valuer and Engineering team will approve of the final assets and figures, ensuring we meet the Auditors requirements.

4. Marina Assets

PPA provided asset data that doesn't offer sufficient financial breakdown for capitalising the Gifted Assets.

External consultants have been engaged and is now identifying assets

Assets need to be capitalised within FY25/26 as instructed by Auditors

	<p style="text-align: center;">5. Portable and Attractive Assets (PAA)</p> <p>As part of the ongoing Enterprise Asset Management (EAM) update, a comprehensive Portable and Attractive Asset (PAA) Register will be integrated into Technology One.</p> <p>This initiative will ensure that all Portable and Attractive Assets—including items such as furniture—are recorded and managed within Technology One.</p> <p>By consolidating these assets into the centralised system, the process will enhance data accuracy, improve asset tracking, and streamline overall asset management practices.</p> <p style="text-align: center;">6. Storeroom Inventory</p> <p>Inventory system data entry underway, with testing completion expected by 31 December 2025. Staff can begin using the updated system on 1 March 2026.</p>
GIS Strategy	GIS Road Map have been endorsed by AMF PCG on 30 October 2025

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be significant. The matter will have implications for the present and future social, economic, environmental, and cultural well-being of Port Hedland.

CONSULTATION

Internal

- Projects Teams
- Operations & Maintenance Teams
- Engineering Assets Team
- Financial Services Team
- Digital Services Team
- ERP Team

External Agencies

- National Transport Research Organisation – Consultancy services for AMFv2

Community

Nil.

LEGISLATION AND POLICY CONSIDERATIONS

- Local Government (Administration) Regulations 1996
- 19DA. Corporate business plans, requirements for (Act s. 5.56)
 - (3) A corporate business plan for a district is to —
 - (c) develop and integrate matters relating to resources, including asset management, workforce planning and long-term financial planning.
- DLGSC Asset Management Framework and Guidelines
- 9/010 Asset Management Policy

FINANCE AND RESOURCE IMPLICATIONS

- Town of Port Hedland Long Term Financial Planning (LTFP)
- Town of Port Hedland Annual Budget
- New position established and recruited – Senior Asset Management
- Advertised previously vacant position - Project Engineer - Asset Management

STRATEGIC SUSTAINABILITY IMPLICATIONS

Council Plan: Part A (Strategic Community Plan)

The following sections of the Town's Council Plan (Strategic Community Plan) 2025-2035 are applicable in consideration of this item:

Our Built and Natural Environment:

3.2.1 1 Identify, plan and develop the present and future needs for serviced land and infrastructure provision.

3.3.2 The community has access to attractive natural habitats, built form, parks and amenities.

Our Leadership:

4.3.4 Efficiency strategies across the town's infrastructure and amenity assets are implemented.

Effective asset management is essential for the Town to achieve positive social, environmental, and economic outcomes. By maintaining and planning for assets

wisely, the Town can deliver reliable services, protect natural resources, and ensure long-term financial sustainability, supporting a vibrant and resilient community.

Access and Inclusion

The following outcome of the Town’s Access and Inclusion Plan 2023-2026 apply in relation to this item:

- Outcome 2 – Buildings and Facilities
Considered through the renewal of community assets planning process

Council Plan Part B (Corporate Business Plan)

The following service of the Town’s Council Plan (Corporate Business Plan) 2025-2035 apply in relation to this item:

Our Infrastructure Services:

Projects and Assets - Effective and efficient project and asset management

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Health & Safety Financial Service Interruption Compliance Reputational
Cause	Insufficient enterprise asset management stems from poor visibility into asset condition, lack of structured lifecycle planning, and misalignment between asset strategies and financial frameworks. This leads to reactive maintenance, inadequate risk prioritisation, and gaps in governance and compliance processes. Without integrated systems and clear accountability, organisations struggle to maintain safe environments, meet service expectations, and uphold regulatory standards.
Effect	These deficiencies result in increased safety incidents, financial inefficiencies, and service disruptions. Compliance breaches and audit failures become more likely, while reputational damage grows due to public scrutiny and stakeholder dissatisfaction. Ultimately, the organisation faces diminished trust, constrained funding opportunities, and reduced capacity to deliver reliable and sustainable services

Risk Treatment	The implementation of the Enterprise Asset Management Framework, which provides structured lifecycle planning, improves asset visibility, and aligns asset strategies with financial and compliance requirements. This framework supports proactive maintenance, informed decision-making, and consistent service delivery across critical infrastructure.
The risk rating is considered to be Medium (9) which is determined by a likelihood of Possible (3) and a consequence of Moderate (3).	

OPTIONS

- Option 1 – Adopt officer’s recommendation
- Option 2 – Do not adopt officer’s recommendation

CONCLUSION

The reported progress has substantially enhanced asset management practices in the Town. Through the completion of documentation and the advancement of strategic initiatives, the Town is better positioned to effectively maintain its assets and support the community’s ongoing needs.

ATTACHMENTS

- Definition Document
- Asset Lifecycle Management Tracker

12 Motions of Which Previous Notice have been given

Nil.

13 New Business of an Urgent Nature (Late Items)

Nil.

14 Matters for Which Meeting May be Closed (Confidential Matters)**ARC202526/022 COMMITTEE DECISION****MOVED: CMM Jessica Shaw****SECONDED: CMM Ronald Yuryevich**

That the Audit, Risk and Compliance Committee close the meeting to members of the public as prescribed in section 5.23(2) of the Local Government Act 1995, to consider item 14.1.

CARRIED BY SIMPLE MAJORITY (5/0)

For: Chair Baptiste Isambert, CMM Jessica Shaw, CMM Martin Aldridge, CMM Ronald Yuryevich and Deputy Chair Stephen Brown

Against: Nil

14.1 | **Town Debtors****Author:** **Manager Financial Services****Authorising Officer:** **Director Corporate Services****Disclosure of Interest:** The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.**Reasons for Confidentiality**

e(iii). a matter that if disclosed, would reveal information about the business, professional, commercial or financial affairs of a person, where the information is held by, or is about, a person other than the local government.

OFFICER'S RECOMMENDATION**MOVED: CMM Jessica Shaw****SECONDED: Deputy Chair Stephen Brown****That the Audit, Risk and Compliance Committee receives the report on Town Debt and endorses the recovery actions as described.*****SIMPLE MAJORITY VOTE REQUIRED*****ARC202526/023 AMENDMENT MOTION****MOVED: CMM Jessica Shaw****SECONDED: CMM Martin Aldridge****That Council consider implementing interest charges on overdue sundry debts to encourage timely payment and reduce the risk of long-term outstanding balances.*****CARRIED BY SIMPLE MAJORITY (5/0)***

For: Chair Baptiste Isambert, CMM Jessica Shaw, CMM Martin Aldridge, CMM Ronald Yuryevich and Deputy Chair Stephen Brown
Against: Nil

ARC202526/024 COMMITTEE DECISION**MOVED: CMM Jessica Shaw****SECONDED: Deputy Chair Stephen Brown**

- 1. That the Audit, Risk and Compliance Committee receives the report on Town Debt and endorses the recovery actions as described.**
- 2. That Council consider implementing interest charges on overdue sundry debts to encourage timely payment and reduce the risk of long-term outstanding balances.**

CARRIED BY SIMPLE MAJORITY (5/0)

For: Chair Baptiste Isambert, CMM Jessica Shaw, CMM Martin Aldridge, CMM Ronald Yuryevich and Deputy Chair Stephen Brown
Against: Nil

ARC202526/025 COMMITTEE DECISION**MOVED: CMM Ronald Yuryevich****SECONDED: Stephen Brown****That the Audit, Risk and Compliance Committee reopen the meeting to members of the public.*****CARRIED BY SIMPLE MAJORITY (5/0)***

For: Baptiste Isambert, CMM Jessica Shaw, CMM Martin Aldridge, CMM Ronald Yuryevich and Stephen Brown
Against: Nil

15 Closure**15.1 Date of Next Meeting**

There will be a Special Audit, Risk and Compliance Committee Meeting held on Thursday 4 December 2025 commencing at 5:30pm.

The next Audit, Risk and Compliance Committee Meeting will be held on Tuesday 10 March 2026 commencing at 5:30pm.

15.2 Closure

There being no further business, the Presiding Member declared the meeting closed at 12:05pm.

1. Purpose of the Terms of Reference

The purpose of this document is to define the Terms of Reference (TOR) for the Audit, Risk and Compliance Committee (the "ARC Committee" or "Committee").

These TOR describe the Committee's purpose, authority, membership, functions, reporting requirements and responsibilities.

2. Establishment and Appointment

The ARC Committee is a formally appointed committee of the Council for the Town of Port Hedland (the "Town") pursuant to section 7.1A of the *Local Government Act 1995* ("the Act").

3. Role

The ARC Committee is to provide guidance and assistance to Council concerning matters within its Terms of Reference. It assumes a key role in assisting the Town of Port Hedland (the "Town") in fulfilling its governance and oversight obligations related to financial reporting, internal controls, risk management systems, legislative compliance, ethical accountability, and internal and external audit functions.

4. Objectives

The primary objective of the ARC Committee is to assume responsibility for the annual external audit and establish effective communication with the Town's external auditor. This ensures that Council can be satisfied with the performance of the local government in managing its financial affairs.

Further objectives of the Audit, Risk and Compliance Committee are to oversee:

- 4.1 The scope of work, objectivity, performance and independence of the external auditor.
- 4.2 The integrity of internal and external financial reporting, including accounting policies.

- 4.3 The establishment, effectiveness and maintenance of controls and systems to safeguard the Town's financial and physical resources.
- 4.4 The systems or procedures that are designed to ensure that the Town comply with relevant statutory and regulatory requirements.
- 4.5 The process and systems which protect the Council against risk, fraud and irregularities.
- 4.6 Compliance with laws and regulations as well as use of best practice guidelines relative to audit, risk management, internal control and legislative compliance.
- 4.7 Provide guidance and assistance to Council as to the carrying out the functions of the local government in relation to audits.

5. Authority and Independence

The ARC Committee does not have executive powers or authority to implement actions in areas over which the administration (management) has responsibility. Furthermore, the ARC Committee does not have any delegated financial responsibility. This ensures that the Committee is able to fulfill its function as an impartial advisory body separate from the Town's management, thereby ensuring objective assessments and guidance.

Under the Town's Register of Delegated Authority – Statutory, the ARC Committee:

- 5.1 Has the authority to meet with the Town's Auditor at least once every year on behalf of the Council [s.7.12A(2) of the Act].
- 5.2 Has the authority to:
 - i. Examine an audit report received by the local government.
 - ii. Determine if any matters raised by the audit report, require action to be taken by the local government; and
 - iii. Ensure that appropriate action is taken in respect of those matters.

- 5.3 Has the authority to review and endorse the Town's report on any actions taken in response to an Auditor's report, prior to it being forwarded to the Minister [s.7.12A(4) of the Act].

6. Membership

Composition

- 6.1 The ARC Committee will comprise of a minimum of three and a maximum of five Elected Members, with one member being an independently appointed member, where possible. All members shall have full voting rights and will be appointed by an absolute majority vote of the Council [s5.10(1)(a) of the Act].
- 6.2 Council may appoint by an absolute majority up to three (3) Councillors to be Deputy Members of the Committee. Any Deputy Member may perform the functions of any Committee Member when the Member is unable to do so by reason of illness, absence or other cause. A Deputy of a Member of a Committee, while acting as a Member, has all the functions of and all the protection given to a member [s.5.11A(2)(a),(3) and (4) of the Act].
- 6.3 Deputy Members do not operate as substitutes for individual members. In situations where more than one Deputy Member is in attendance at a Committee meeting, the Committee will conduct a vote to designate which Deputy Member is authorised to perform the duties of the absent member.

Term

- 6.4 In compliance with section 5.11 of the Act, all members will be appointed by Council, and will remain a member until:
- a) the term of the person's appointment as a committee member expires; or
 - b) the local government removes the person from the office of committee member or the office of committee member otherwise becomes vacant; or
 - c) the committee is disbanded; or
 - d) the next ordinary elections day

Appointment

6.5 The Presiding Member and Deputy Presiding Member will be appointed by the ARC Committee Members at the Committee's first meeting following an Election.

Skills and Experience

6.6 Collectively, the group of Committee members possess a diverse set of skills and expertise encompassing risk management, assurance, business acumen and background in related fields.

6.7 Members may seek advice from an external independent advisor. The independent advisor must be able to demonstrate expertise and knowledge in at least one of the disciplines of financial risk management, corporate governance, risk management or auditing. The independent advisor will also have demonstrated understanding and/or experience in:

- Accounting Standards (AASB)
- *Local Government Act 1995*
- Local Government experience and/or Band 1 Council

6.8 New members will receive relevant information and briefings on their appointment to assist them to meet their Committee responsibilities.

Declaration of an Interest

6.9 ARC Committee members are required by the Act and Code of Conduct in observing the requirements of declaring any proximity, financial or impartiality interests that relate to any matter to be considered at each meeting.

Resignation from the Committee

6.10 In accordance with Part 2, Regulation 4 of the *Local Government (Administration) Regulations 1996*, A Committee member may resign from membership of the Committee by giving the CEO or the Committee's presiding member written notice of the resignation. It is recommended that ARC Committee members provide a notice period of three (3) months.

Management excluded from membership

6.11 The Chief Executive Officer and Employees are not members of the Committee (Section 7.1A(3)&(4) of the Act).

Management attendance

6.12 The following individuals from the Town's administration will be present at ARC Committee Meetings to offer advice, guidance, and undertake the responsibility of recording minutes:

- Chief Executive Officer
- Director Corporate Services
- Manager Governance
- Manager Financial Services
- Senior Audit, Risk and Insurance Advisor
- Audit, Risk and Insurance Support Officer

7. Meetings

7.1 The Committee shall meet at least quarterly.

7.2 The Presiding Member of the Committee has the authority to convene extra meetings, or such meetings may be convened upon the request of the Chief Executive Officer.

7.3 The Committee meetings are generally open to the public unless the Presiding Member or Chief Executive Officer deem it necessary to proceed behind closed doors pursuant to Section 5.23 of the Act.

7.4 All Elected Members are invited to attend each Audit, Risk and Compliance Committee meeting, but will not be eligible to vote on any items presented at the meeting.

7.5 Meeting attendance is subject to Electronic Meetings and Electronic Attendance Policy 4/011.

- 7.6 As prescribed by Section 5.19 of the Act, the quorum for Committee meetings shall be at least 50% of the number of offices of the Committee (whether vacant or not).
- 7.7 The Chief Executive Officer will facilitate the meetings of the Committee and invite members of management, internal and external auditors or others to attend meetings as observers and to provide pertinent information, as necessary.
- 7.8 The Committee will develop a forward meeting schedule that includes the dates, location, and proposed work plan for each meeting for the forthcoming year, which covers the responsibilities outlined in this terms of reference.
- 7.9 Meeting agendas will be prepared and provided at least 72 hours in advance to members, along with appropriate briefing materials.
- 7.10 Minutes will be taken at each meeting and presented to the subsequent meeting for confirmation.
- 7.11 Pursuant to Regulation 13 of the *Local Government (Administration) Regulations 1996*, the unconfirmed minutes of the Committee meeting will be published within 7 days after the meeting is held.
- 7.12 Voting is in accordance with Section 5.21 of the Act.

8. Responsibilities

The Committee will fulfill the following responsibilities:

Risk Management

- 8.1 Review and suggest improvements to whether management has in place a current and fit-for-purpose risk management framework and associated procedures for effective identification and management of the Town's risks, including fraud.
- 8.2 Determine whether a sound and effective approach has been followed in managing the Town's major risks including those associated with individual projects, program implementation, and activities.

- 8.3 Assess the impact of the Town's risk management framework on its control environment.
- 8.4 Review and suggest improvements to the process of developing and implementing the Town's fraud control arrangements and satisfy itself the Town has appropriate processes and systems in place to detect, capture and effectively respond to fraud-related information.
- 8.5 Determine whether the Town has a sound and effective approach for business continuity planning arrangements, including whether business continuity and disaster recovery plans have been periodically reviewed and tested.

Internal Control and Internal Audit

- 8.6 Ensure adequate systems of internal control are in place to mitigate key business risks and promote the effectiveness and efficiency of operations.
- 8.7 Approve, review and suggest improvements to the Internal Audit Plan and ensure the Internal Audit function is operating effectively, independently and in accordance with the Institute of Internal Auditor's International Standards for the Professional Practice of Internal Auditing.
- 8.8 Receive and review all audit reports and provide advice to the Council on significant issues identified in audit reports and action to be taken on issues raised, including identification and dissemination of good practice.
- 8.9 Monitor management's implementation of internal audit recommendations, processes and practices to ensure that the independence of the audit function is maintained.
- 8.10 Oversee the coordination of planned activities among the four lines of defence, delineating ownership, accountabilities, resources and governance of risk management activities within the Town.

Financial Reporting

- 8.11 Review and suggest improvements to significant accounting and reporting issues, including complex or unusual transactions and highly judgemental areas,

and recent accounting, professional and regulatory pronouncements and legislative changes, and understand their effect on the financial report.

- 8.12 Review and suggest improvements to the process for the consolidation of financial information of the Town related entities into the financial reports of the Town.
- 8.13 Review with management and the external auditors all matters required to be communicated to the Audit, Risk and Compliance Committee under the Australian Auditing Standards, and suggest improvements if required.
- 8.14 Review and suggest improvements (subject to legislation) to the draft Annual Financial Statements (subject to legislation) and recommend the adoption of the Annual Financial Statements to Council.

Compliance

- 8.15 Review and suggest improvements to the systems and processes to monitor effectiveness of the system for monitoring compliance with legislation and regulations and the results of management's investigation and follow-up (including disciplinary action) of any instances of non-compliance.
- 8.16 Keep informed of the findings of any examinations by regulatory agencies and any auditor (internal or external) observations and monitor management's response to these findings.
- 8.17 Obtain regular updates from management about compliance matters.
- 8.18 Review and suggest improvements to the annual Compliance Audit Return and report to the Council the results of the review.

External Audit

- 8.19 Meet with the Office of the Auditor General to discuss the audit plan (audit entrance meeting) and the results of the financial audit (audit exit meeting).

- 8.20 Consider the findings and recommendations of relevant Performance Audits undertaken by the external auditor and ensure the Town implements relevant recommendations.
- 8.21 Provide an opportunity for the ARC Committee to meet with the external auditors to discuss any matters that the Committee or the external auditors believe should be discussed privately.
- 8.22 Annually review and suggest improvements to the performance of external audit including the level of satisfaction with the external audit function.
- 8.23 Monitor management's implementation of external audit recommendations.

Reporting

- 8.24 Report regularly to the Council ARC Committee activities, issues, and related recommendations through circulation of minutes.
- 8.25 Monitor that open communication between the internal auditor, the external auditors, and the Town's management occurs.

Other Responsibilities

- 8.26 Perform other activities related to this terms of reference as requested by the Council or through audit recommendations.
- 8.27 Request that the Chief Executive Officer perform a review after an Election, suggest improvements to and assess the adequacy of the Audit, Risk and Compliance Committee terms of reference, request Council approval for proposed changes, and ensure appropriate disclosure as might be required by legislation or regulation.

9. Definitions

Term	Definition
ARC Committee	The Audit, Risk and Compliance Committee
CEO	The Chief Executive Officer
Committee	The Audit, Risk and Compliance Committee

The Act	The <i>Local Government Act 1995</i>
The Town	The Town of Port Hedland
TOR	The Terms of Reference

10. Version Control

Version	Meeting
V1	<i>Adopted by Council at its Ordinary Meeting held 16 November 2011.</i>
V2	<i>Amended by Council at its Ordinary Meeting held 23 October 2013.</i>
V3	<i>Amended by Council at its Ordinary Meeting held on 11 December 2013.</i>
V4	<i>Amended by Council at its Ordinary Meeting held on 27 May 2015.</i>
V5	<i>Amended by Council at its Ordinary Meeting held on 28 October 2015.</i>
V6	<i>Amended by Council at its Ordinary Meeting held on 22 June 2016.</i>
V7	<i>Amended by Council at its Ordinary Meeting held on 24 May 2017.</i>
V8	<i>Re-Adopted by Council at its Ordinary Meeting held on 1 November 2017.</i>
V9	<i>Re-Adopted by Council at its Ordinary Meeting held on 19 December 2019.</i>
V10	<i>Amended by Council at its Ordinary Meeting held on 23 September 2020.</i>
V11	<i>Amended by Council at its Ordinary Meeting held on 7 September 2022.</i>
V12	<i>Amended by Council at its Ordinary Meeting held on 29 May 2024.</i>