AGENDA

Dear Committee Members,

I respectfully advise that an AUDIT, RISK AND IMPROVEMENT MEETING will be held in the Council Chambers, McGregor St, Port Hedland, on **Tuesday 10 March 2026**, commencing at **5:30pm.**

MEETING AGENDA ATTACHED

Yours faithfully

Kenneth Donohoe
Temporary Chief Executive Officer

6 March 2026

DISCLAIMER

DISCLOSURE OF FINANCIAL/ IMPARTIALITY/ PROXIMITY INTERESTS

Local Government Act 1995 – Section 5.65, 5.70 and 5.71

Local Government (Model Code of Conduct) Regulations 2021

This form is provided to enable members and officers to disclose an Interest in a matter in accordance with the regulations of Section 5.65, 5.70 and 5.71 of the Local Government Act and Local Government (Model Code of Conduct) Regulations 2021	
Name	
Position	
Date of Meeting	
Type of Meeting (Please circle one)	Council Meeting/ Committee Meeting/ Special Council Meeting Workshop/ Public Agenda Briefing/ Confidential Briefing
Interest Disclosed	
Item Number and Title	
Nature of Interest	
Type of Interest (please circle one)	Financial/Proximity/Impartiality
Interest Disclosed	
Item Number and Title	
Nature of Interest	
Type of Interest (please circle one)	Financial/Proximity/Impartiality

Signature: _____**Date:** _____

Important Note: Should you declare a **Financial or Proximity Interest**, in accordance with the Act and Regulations noted above, you are required to leave the room while the item is being considered.

For an **Impartiality** Interest, you must state the following prior to the consideration of the item:

"With regard to agenda item (read item number and title), I disclose that I have an impartiality interest because (read your reason for interest). As a consequence, there may be a perception that my impartiality on the matter may be affected. I declare that I will consider this matter on its merits and vote accordingly."

Order of Business

1   Opening of Meeting

The Presiding Member is to declare the meeting open at 5:30pm.

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

Scheduled Present: Commissioner Jessica Shaw

Commissioner Ronald Yuryevich

Baptiste Isambert – Chair

Stephen Brown – Deputy Chair

Scheduled for Attendance: Kenneth Donohoe (Temporary Chief Executive Officer)

Stephen Leeson (Director Corporate Services)

Stephanie Sikaloski (Senior Audit, Risk & Insurance Advisor)

Emily Richardson (Audit, Risk & Insurance Officer)

Kaleena Cruickshank (Manager Financial Services)

3.2   Attendance by Telephone / Instantaneous Communications

Commissioner Jessica Shaw

Commissioner Ronald Yuryevich

3.3   Apologies

Commissioner Martin Aldridge

3.4   Approved Leave of Absence

Nil.

3.5   Disclosures Of Interest

4   Applications for Leave of Absence

5   Agenda Feedback Session

5.1   Agenda Feedback Session held on 4 March 2026

An Agenda Feedback Session was held on 4 March 2026. The purpose of the session was to provide Committee Members an opportunity to review the upcoming agenda, seek clarification, and raise questions on agenda items.

Report 12.1 Annual Work Plan Review

Presiding Member Baptiste Isambert noted recent Local Government reforms that formally changed the committee's legislative title from "Audit Committee" to "Audit, Risk and Improvement Committee." Members requested clarification on how the Committee would fulfil the "Improvement" component and how progress and outcomes would be clearly demonstrated over time.

Administration have provided the following response:

The Committee's Terms of Reference expressly incorporates Improvement responsibilities. Specifically, Section 7.1 Improvement, which requires the Committee to:

7.1 Improvement
- Review and advise on the effectiveness of improvement initiatives, including those arising from internal audits, external reviews, and strategic planning processes.
- Monitor the implementation of agreed recommendations to ensure they are actioned appropriately and contribute to enhanced organisational performance.
- Identify systemic issues or trends that may require broader organisational attention or policy-level responses.

~~Report~~ 12.2 Risk Appetite Statement

Members discussed the timing of the report and consultation with ARIC prior to decisions making.
- CMM Jessica Shaw noted that the timeframe for review was compressed and that ARIC had not previously been provided the opportunity to consider the Statement.
- Presiding Member Baptiste Isambert raised the proposed rating of "Moderate" for IT/Cyber risk appropriateness for the Town's operating environment.
- Deputy Presiding Member Stephen Brown considered the document well-constructed and logical but supported further consultation would be beneficial.

Administration have provided the following response:

Administration has determined that the Risk Appetite Statement will be deferred to the following ARIC agenda. A workshop will be scheduled in April with the newly appointed ARIC members.

Report 12.2 Quarterly Risk Management Update

Deputy Presiding Member Stephen Brown asked for clarification on why Operational Risks OR-7 and OR-80 were assessed as having catastrophic consequences.

Administration have provided the following response:

The consequence ratings were assigned in accordance with the Town's Risk Assessment and Acceptance Criteria.

Report 12.3 Internal Audit Plan - 2024-25 Customer Service, Social Media & Stakeholder Engagement Review

Paxon Group provided a summary of the report, commenting the Town's customer service performance aligns with benchmarks from other local governments they have reviewed.

- CMM Jessica Shaw raised the consultation process and external communications need for consistent messaging.
- Stephen Brown referenced social media risks observed at other local governments, including role confusion and defamatory conduct by elected members. He stressed the importance of ongoing reinforcement of roles and responsibilities.
- CMM Ron Yuryevich recommended terminology adjustments from "Councillor" to "Elected Member" to ensure inclusion of the mayor.
- Baptiste Isambert queried whether changes had been made to the Code of Conduct.

Administration have provided the following response:

As part of the policy review project, changes are proposed to the Town's Code of Conduct for Employees, Consultants, Contractors and Volunteers, referencing Council Members or Committee Members to a new distinct Code of Conduct, based on the model standards.

Report 12.4 Internal Audit Plan – 2025-26 Audit Log Review

Committee Members asked of the process used by Administration in substantiating audit log completion.

Administration have provided the following response:

The audit team works closely with staff to ensure information provided for audit is complete, accurate, and appropriate for review.

In addition, the current Three-Year Internal Audit Plan includes an annual external review, providing an added layer of independent oversight and assurance.

Report 12.5 Procurement Report on Panels Usage

Presiding Member, Baptiste Isambert queried the basis for the report, noting it is not common practice in all local governments.

Administration have provided the following response:

The Town's governance framework (Policy 2/022 – Panels of Pre-Qualified Suppliers) requires reporting on the use of procurement panels, and previous elected members had expressed particular interest in monitoring distribution of work across panels.

Report 12.6 Asset Management Framework Progress Update

- Deputy Presiding Member, Stephen Brown identified a typographical error under Prior Audit Finding #3.
- Presiding Member, Baptiste Isambert queried the basis for the report and sought clarity on how operational asset management matters intersect with audit and risk oversight.

Administration have provided the following response:

- The Town's 2022-2023 annual financial statements were qualified with negative findings on asset details, with no asset management framework or plans in place at the time. The audit findings together with known needed actions became the basis for the report and ARIC oversight due to risk.
- Action tracking occurs through both the audit log (for external audit recommendations) and internally identified improvement initiatives.

Report 12.7 ERP Implementation Progress Report

No discussion was held.

General Discussion:

Agenda Feedback Sessions

- Presiding Member Baptiste Isambert raised concerns about the session being held behind closed doors, noting that transparency is central to ongoing Local Government reforms.

- Director Corporate Services advised that the session involves no decision-making and is simply intended to support efficient conduct of the formal meeting.
- CMM Jessica Shaw noted that her previous local government experiences (Swan and Mundaring), briefing sessions were held publicly.
- CMM Ron Yuryevich supported the Town's current model, noting it promotes open Q&A in a low-pressure environment and avoids misinterpretation in the media.

A summary of closed-door discussions will continue to be captured in Section 5 of the agenda.

Confidential Attachments

- It was agreed that confidential attachments will be separated from the public agenda in the Agenda Management system moving forward.

Independent Member IT Access

Administration have provided the following response:

- IT accounts for Independent Members to be established for new ARIC committee.
- A review of IT procedures is underway to ensure compliance with the Town's record-keeping requirements.

Expression of Interest – ARIC Independent Members

Administration have provided the following response:

Draft advertising for SEEK Expressions of Interest (EOIs) is underway.

Audit Program

Presiding Member Baptiste Isambert noted that while the Internal Audit Plan is referenced throughout the agenda, it has not yet been shared with the new Committee.

Administration have provided the following response:

The 3-Year Strategic Internal Audit Plan has now been uploaded to Docs on Tap under the 4 March 2026 – Agenda Feedback Session.

6   Response to Previous Questions

6.1   Response to Questions taken on notice from Committee Members at the Special Audit, Risk and Improvement Committee Meeting held on 10 December 2025

Nil.

6.2   Response to Questions taken on notice from Public at the Special Audit, Risk and Improvement Committee Meeting held on 10 December 2025

Nil.

7   Public Time

7.1   Public Question Time

7.2   Public Statement Time

7.3   Petitions / Deputations / Presentations / Submissions

8   Questions from Members without Notice

9   Announcements by Presiding Member without Discussion

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

The Audit, Risk and Improvement Committee Members declare that they have given due consideration to all matters contained in the agenda.

11 Confirmation of Minutes of Previous Meeting

11.1 Confirmation of Minutes of Previous Meeting held on 10 December 2025

OFFICER'S RECOMMENDATION

That Committee Members confirm that the Minutes of the Special Audit, Risk and Improvement Committee Meeting held on 10 December 2025 are a true and correct record.

SIMPLE MAJORITY VOTE REQUIRED

11.2 Confirmation of Minutes of Previous Meeting held on 26 November 2025

OFFICER'S RECOMMENDATION

That Committee Members confirm that the Minutes of the Audit, Risk and Improvement Committee Meeting held on 26 November 2025 are a true and correct record.

SIMPLE MAJORITY VOTE REQUIRED

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.

12 Reports of Officers

12.1	2026 Annual Work Plan Review

Author:	**Audit, Risk & Insurance Officer**
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.

OFFICER'S RECOMMENDATION

That the Audit, Risk & Improvement Committee endorse the reviewed 2026 Work Plan.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

The purpose of this report is for the Audit, Risk and Improvement Committee (ARIC) to endorse the reviewed 2026 Annual Work Plan.

DETAIL

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

In accordance with section 6.8 of the Committee's current Terms of Reference (TOR) (Version 13), the ARIC is required to develop an annual work plan. This plan serves as a strategic roadmap, enabling the ARIC to effectively fulfil its functions, roles, and responsibilities for the upcoming calendar year.

The 2026 annual work plan was endorsed at the 26 November 2025 ARIC meeting. 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.

Key Updates as below

Business Continuity Plan
The ARIC is responsible for ensuring that the Town maintains a sound and effective approach to Business Continuity Planning (BCP) (TOR 7.2). The Director of Regulatory Services and the Manager of Environmental Services have implemented the BCP for

the Town, and the plan is now scheduled for an annual performance update in May 2026.

Compliance Audit Return

Preparation of the annual Compliance Audit Return (CAR) has been rescheduled to August in the 2026 Work Plan (subject to completion given the Town is not yet aware of the Department of Local Government, Industry Regulation and Safety (DLGIRS) new release date). The deadline for submitting the CAR for the period of 1 January 2025 to 31 December 2025 has been deferred until 30 September 2026.

The proposed work plan is as follows:

ARI Committee Work Plan 2026					
Meeting Dates	**10 Mar 2026**	**12 May 2026**	**11 Aug 2026**	**24 Nov 2026**	**TOR Clause Version 13**
Recommendations to Council Meeting Dates	**25 Mar 2026**	**27 May 2026**	**26 Aug 2026**	**10 Dec 2026**	
ARI Committee Performance and Administration					
Annual Work Plan Review				X	6.8
Risk Management (including Fraud)					
Risk Register Review	X	X	X	X	7.2
Business Continuity Plan		X			7.2
Risk Appetite Statement Review	X				7.2
Risk Management Policy Review			X		7.2
Internal Control and Internal Audit					
Internal Audit Plan - FY2026/27 to FY2028/29		X			7.3
Internal Audit Reports (as available)	X	X	X	X	7.3
Audit Log Review	X	X	X	X	7.3
Financial Reporting					
Outstanding Debtors (Including Rates)	X	X	X	X	7.5
Compliance					
Procurement Report on Panels Usage	X	X	X	X	7.6
Compliance Audit Return			X		7.6
External Audit					
Annual Audited Financial Statements				X	7.4
Other Responsibilities					
Terms of Reference Review		X			7.8
Asset Management Framework Progress Report	X	X	X	X	7.8
Enterprise Resource Planning Implementation Progress Report	X	X	X	X	7.8
Town of Port Hedland Integrity Framework		X			7.8

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
- Senior Audit, Risk & Insurance Advisor
- Executive Leadership Team

External Agencies

- Department of Local Government, Industry Regulation and Safety (DLGIRS)

Community

Nil.

LEGISLATION AND POLICY CONSIDERATIONS

- Part 7 of the *Local Government Act 1995*
- Audit, Risk & Improvement Committee Terms of Reference section 6.8

FINANCE AND RESOURCE IMPLICATIONS

As per 2025-2026 Annual Budget

STRATEGIC SUSTAINABILITY IMPLICATIONS

Council Plan

The following section of the Town's *Council Plan 2025-2035* applies in consideration of this item:

Our Leadership: We are united in our actions to connect, listen, support and advocate, thereby leveraging the potential of our people, places and resources.

4.2 Transparent and accountable governance and financial sustainability

Access and Inclusion

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

Nil.

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

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.

The risk rating is considered Medium (6), determined by a likelihood of Unlikely (2) and a consequence of Moderate (3).

This risk will be treated by adoption of the work plan and periodic review.

OPTIONS

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

CONCLUSION

Endorsing the Reviewed 2026 Annual Work Plan ensures compliance with the ARIC Terms of Reference and supports effective governance and risk management practices.

12.2	Quarterly Risk Management Update

Author:	**Senior Audit, Risk & Insurance Advisor**
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.

OFFICER'S RECOMMENDATION

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

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

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

DETAIL

Risk Management Documentation & Systems

The Town 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 Riskonnect as its central risk management system. Riskonnect enables 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 secondary risk owners 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 close monitoring.

The Town applies a structured, multi-stage approach to risk assessment, as outlined in the 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.

Quarterly Activity Update

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.

In September 2025, the ELT, Department Managers, and the Audit & Risk team 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:

Activity	Status
Risk Appetite Statement Review	Complete
Re-evaluation of Existing Strategic Risks	In progress
Identification of Emerging Strategic Risks	In progress

Strategic risks are reported to the ARIC 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 ARIC on a quarterly basis. These risks have been reviewed and are detailed in Attachment 1.

Residual Risk Rating	This Quarter	Previous Quarter
High	5	8
Extreme	1	1
Total	**6**	**9**

Project Risks

The Town's material project-level risks currently relate to:
- The Capital Works Program, and
- The ERP Implementation.

Engagement this quarter:

- Capital Works Program: Audit & Risk met with Infrastructure Projects and Assets management to confirm the approach for project-level risk reporting to ARIC. These risks are recorded in OneConnect (Project Lifecycle module). Access has been granted to Audit & Risk to support consolidated reporting. Infrastructure will also include Audit & Risk in monthly Project Manager risk workshops to improve consistency of entries, quality assurance and timely escalation.
- ERP Program: Audit & Risk met with the ERP Project Team management. Risks are currently maintained in a spreadsheet; it has been agreed they will be migrated to Riskonnect before the next quarterly cycle to align with the RMF and enable consistent assessment, monitoring and ARIC reporting.

From May 2026, all High and Extreme residual project risks will be reported to ARIC as a standing item, including:
- Status; and

- Key treatments and due dates

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
- *Local Government (Audit) Regulations 1996* – Regulation 17
- *Local Government Act s5.23(4)(e)* - information the making public of which would be likely to endanger the security (including cyber-security) of any of the local government's property or operations.

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

The following section of the Town's *Council Plan 2025-2035* applies in consideration of this item:

Our Leadership: We are united in our actions to connect, listen, support and advocate, thereby leveraging the potential of our people, places and resources.

4.2 Transparent and accountable governance and financial sustainability

Access and Inclusion

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

Nil.

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

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.
The risk rating is Medium (6) which is determined by a likelihood of Unlikely (2) and a consequence of Moderate (3).
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.

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 ARIC 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 - High & Extreme Residual Operational Risks [**12.2.1** - 2 pages]
2. CONFIDENTIAL - High & Extreme Residual Operational Risk Movement Report [**12.2.2** - 3 pages]

12.3	Internal Audit Plan - 2024-25 Customer Service, Social Media & Stakeholder Engagement Review

Author: **Senior Audit, Risk & Insurance Advisor**

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.

OFFICER'S RECOMMENDATION

That the Audit, Risk & Improvement Committee receive the 2024–25 Financial Year Internal Audit Report on Customer Service, Social Media and Stakeholder Engagement, as provided in Attachment 1.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

The purpose of this report is to present the findings of the 2024-25 Financial Year Internal Audit Report on Customer Service, Social Media and Stakeholder Engagement. 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 Improvement Committee (the ARIC) as part of routine reporting.

DETAIL

On 9 May 2023, the Town 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 ARIC on 8 August 2023 (Committee Decision: ARC202324/004).

The 2024-25 review of Customer Service, Social Media and Stakeholder Engagement is the final audit in the 2024-25 cycle under the approved plan.

The objective of the review was to assess the appropriateness and effectiveness of the Town's processes and controls in the following areas:

- **Customer Service:**
  Whether customer service objectives are clearly documented, monitored and used to drive performance improvement.
- **Media and Publications:**
  Whether publications and media responses are approved appropriately prior to release, supported by an operational strategy, management practices and internal guidance that cover expected requirements.

- **Social Media Management:**
  Whether social media activity is effectively administered, including:
    - the existence and operation of strategy and management practices
    - adequacy of internal guidance (monitoring, moderation, approvals and access controls)
    - sufficiency of induction and training processes for staff
- **Stakeholder Management:**
  The design and operational effectiveness of processes that support coordinated and consistent stakeholder engagement across the organisation.

The review identified three medium risk findings and two low risk findings, summarised in this report. Overall, the findings point to opportunities to strengthen governance, improve consistency in processes, and support better alignment with the Town's strategic objectives.-risk-

Reference	Finding	Risk Rating
5.1	Customer request management	Medium
5.2	Approval workflow for media release	Medium
5.3	Operational stakeholder management	Medium
5.4	Marketing input into events	Low
5.5	Social media access	Low

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 Significant Decision Making, this matter is assessed as low significance. The findings outlined in the report are medium or low risk and do not present any immediate or significant threat to Council's operations. While some community interest may arise given the focus on customer service performance and improvement opportunities, the overall impact is expected to be limited.

CONSULTATION

Internal
- Executive Leadership Team
- Manager Public Affairs
- Manager Youth & Community Development
- Manager Events, Arts & Culture
- Coordinator Customer Experience

External Agencies
- Paxon Group

Community
- Nil

LEGISLATION AND POLICY CONSIDERATIONS

- Customer Experience Strategy 2024-2026
- Local Government Act Part 7

FINANCE AND RESOURCE IMPLICATIONS

The fee for this engagement was $11,200 excluding GST, based on 80 estimated hours of work.

In addition, Paxon will meet with Committee members ahead of the meeting to discuss the audit findings and provide an opportunity for questions. The estimated cost for this additional engagement is $280, excluding GST.

The internal audit program timeframe is expected to return as scheduled.

STRATEGIC SUSTAINABILITY IMPLICATIONS

Council Plan

The following section of the Town's *Council Plan 2025-2035* applies in consideration of this item:

Our Leadership: We are united in our actions to connect, listen, support and advocate, thereby leveraging the potential of our people, places and resources.

4.2 Transparent and accountable governance and financial sustainability

Access and Inclusion

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

Nil.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Compliance
Cause	Failure to implement, monitor or maintain effective customer service, communication and stakeholder engagement processes in line with the Town's internal audit recommendations.
Effect	Reduced service quality, inconsistent application of processes, reduced community/stakeholder confidence, and

	potential non-compliance with internal standards and benchmarks.
Risk Treatment	Treat - implement agreed management actions arising from the audit, monitor progress through the Town's Audit Log, and report to ARIC as part of routine audit tracking processes.

There is an Operational - Compliance risk associated with this item, arising from the potential that audit findings and improvement actions may not be implemented as intended, leading to inconsistent practices or reduced service quality. The consequence of this risk includes reduced customer/stakeholder experience, delayed improvements, and reduced assurance over compliance with internal processes.   The risk rating is considered Medium (9), determined by a likelihood of Possible (3) and a consequence of Moderate (3).   This risk will be reduced by implementing the agreed audit management actions and monitoring their progress through the Town's Audit Log as part of standard internal audit follow-up processes.

OPTIONS

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

CONCLUSION

The internal audit has provided a clear view of how the Town is performing in the areas of customer service, social media management, and stakeholder engagement. While the findings do not exceed medium and low risk, they highlight several improvements that will help strengthen consistency and governance across these functions. The agreed management actions will be added to the Town's Audit Log and monitored through regular reporting to the ARIC to ensure progress is maintained.

ATTACHMENTS
1. Final ToPH Customer Service, Social Media & Stakeholder Audit Report [**12.3.1** - 13 pages]

12.4	Internal Audit Plan - 2025-26 Audit Log Review

Author:	**Senior Audit, Risk & Insurance Advisor**
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.

OFFICER'S RECOMMENDATION

That the Audit, Risk & Improvement Committee receive the 2025-26 Financial Year Internal Audit Report on the Town of Port Hedland Audit Log, as provided in Attachment 1.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

The purpose of this report is to present the findings of the FY2025-26 internal audit review of the Town of Port Hedland's (the Town) Audit Log, undertaken by Paxon Group, and to outline management's progress in closing prior audit actions and addressing residual risks.

DETAIL

On 9 May 2023, the Town 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 Audit, Risk and Improvement Committee (the ARIC) on 8 August 2023 (Committee Decision: ARC202324/004).

Paxon Group's objective was to assess whether risks previously raised by assurance providers have been appropriately remediated by management in a timely manner. The methodology included: obtaining the Audit Log snapshots (13 Jan 2026 and 6 Feb 2026), requesting and reviewing evidence for items certified complete, and reporting outcomes including an updated Audit Log.

Summary of audit outcomes

The Audit Log Review identified a substantial improvement in the Town's management and closure of audit actions since the previous review undertaken in April 2025. At that time, 44 actions remained open. Following the addition of new actions arising from subsequent internal and external audit activities - including the Regulation 5 Financial Management Review and 2024-25 Audit Log review, together with one split

action and one reinstated item, the Audit Log comprised 81 open actions at the commencement of the current review.

Management certified 62 actions as complete. Paxon Group verified supporting evidence for 61 of these items. One action (Item 54) was assessed by management as not implemented, as the associated service is no longer provided to the Town.

As at February 2026, 19 actions remain open, representing a reduction from 44 to 19 since the prior review. Of these, 5 actions are not yet due for completion, and 14 actions are overdue

Status of open actions by risk rating

- High-Risk   Actions:
  2 actions remain open. One is not yet due, and one is overdue. This reflects a reduction from 11 open high-risk actions in April 2025, of which 10 were overdue.

- Medium-Risk   Actions:
  14 actions remain open, including 2 not yet due and 12 overdue, compared to 16 open items (11 overdue) at the previous review.

- Low-Risk Actions:
  Three actions remain open, with 2 not yet due and 1 overdue, reduced from 11 open items (6 overdue) as at April 2025.

Addendum to the Audit Log

The completed actions listed within the Audit Log were certified by Paxon Group in their report dated 23 February 2026.

Since that certification, and subsequent to the March 2026 ARIC Meeting, a change has occurred relating to the progress of one of the outstanding actions. Attachment 2 has been prepared to provide the ARIC with an updated status for that item, ensuring the Committee receives the most current information. This update is being provided separately so as not to alter the Audit Log attachment, which has been finalised and certified by Paxon Group.

This update will be formally incorporated into the next quarterly Audit Log report.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 Significant Decision Making, this matter is assessed as being of low significance. While there may be some community interest in the outcomes of audit activities, the report itself does not materially impact the community, the Town's strategic direction, financial sustainability, or delivery of

services. The recommendations relate to internal governance and continuous improvement processes and therefore do not require broader community engagement.

CONSULTATION

Internal
- Executive Leadership Team
- Strategic Leadership Team

External Agencies
- Paxon Group

Community
- Nil

LEGISLATION AND POLICY CONSIDERATIONS

- *Local Government Act Part 7*
- *Local Government Act s5.23(4)(e)* - information the making public of which would be likely to endanger the security (including cyber-security) of any of the local government's property or operations.

FINANCE AND RESOURCE IMPLICATIONS

- The fee for this engagement was $14,000 excluding GST, based on 100 estimated hours of work.
- In addition, Paxon Group will meet with Committee members ahead of the meeting to discuss the audit findings and provide an opportunity for questions. The estimated cost for this additional engagement is $280, excluding GST.
- Internal effort to finalise remaining actions is within existing budgets and work programs.

STRATEGIC SUSTAINABILITY IMPLICATIONS

Council Plan

The following section of the Town's *Council Plan 2025-2035* applies in consideration of this item:

Our Leadership: We are united in our actions to connect, listen, support and advocate, thereby leveraging the potential of our people, places and resources.

4.2 Transparent and accountable governance and financial sustainability

Access and Inclusion

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

Nil.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Compliance
Cause	Incomplete or delayed implementation of agreed management actions arising from internal audit findings.
Effect	Reduced effectiveness of internal control environment and potential non-compliance with legislative or policy requirements.
Risk Treatment	Treat

There is an Operational risk associated with this item, caused by delays or gaps in implementing agreed management actions, leading to weakened internal controls and potential non-compliance with regulatory or policy obligations.

The risk rating is considered to be Medium (9), which is determined by a likelihood of Possible (3) and a consequence of Moderate (3).

This risk will be treated by maintaining regular oversight of the Audit Log, ensuring timely follow-up with responsible officers, and ongoing reporting to the Executive team and the ARIC.

OPTIONS

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

CONCLUSION

Paxon Group's review confirms substantial progress since April 2025: open actions reduced from 44 to 19, and 61 completed actions were evidenced. The control environment has strengthened across procurement, financial controls, records governance, and cyber/IT operations. Continued focus is required to close the 14 overdue actions. Ongoing ARIC oversight and quarterly reporting will help sustain momentum and ensure timely closure.

ATTACHMENTS

1.   CONFIDENTIAL - Paxon Group 2025-26 Audit Log Report [**12.4.1** - 11 pages]
2.   CONFIDENTIAL - ARIC Briefing Note - Addendum to the Audit Log [**12.4.2** - 2 pages]

12.5	Procurement Report on Panels Usage

Author:	**Senior Procurement & Contracting Advisor**
Authorising Officer:	**Director Corporate Services**
Disclosure of Interest:	The Author and/or Authorising officer declare that they have a financial interest in relation to this item.

OFFICER'S RECOMMENDATION

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

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

The purpose of this report is for Audit, Risk and Improvement Committee (the ARIC) to meet the requirements of Policy 2/022 Panels of Pre-Qualified Suppliers, Section 3 Compliance and Reporting, that the Town of Port Hedland (the Town) shall on a quarterly basis report any identified non-compliance with this Policy and associated management procedures.

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
RFT2324-22	Contractors & Trades	15	15
RFT2425-11	Civil Construction Material	4	4
RFT2425-11	Graphic Design	7	7

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 in procurement activities 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
- Director Infrastructure Services
- Manager Infrastructure Operations
- Manager Infrastructure Projects & Assets

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

- 2025–2026 Annual Budget

STRATEGIC SUSTAINABILITY IMPLICATIONS

Council Plan

The following sections of the Town's *Council Plan 2025-2035* apply in consideration of this item:

Our Leadership: We are united in our actions to connect, listen, support and advocate, thereby leveraging the potential of our people, places and resources.

4.2 Transparent and accountable governance and financial sustainability

Access and Inclusion

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

Nil.

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 failure to implement the right procedure, leading to 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 the 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 ARIC with an overview of the procurement findings for non-compliance with policy 2/022 Panels of Pre-Qualified Suppliers, for the quarter 2, being 1 October to 31 December 2025.

ATTACHMENTS

1. Attachment 1 - Panels Engagement Report Q 2 2025-26 [**12.5.1** - 5 pages]
2. Attachment 2 - Summary of quotes requested and received Q 2 2025-26 [**12.5.2** - 2 pages]
3. CONFIDENTIAL - Attachment 3 - Panel Contract Usage - Purchase Orders raised against the Panel Contracts in One Conn [**12.5.3** - 3 pages]

12.6	Asset Management Framework Progress Report

Author:	**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.

OFFICER'S RECOMMENDATION

That the Audit, Risk and Improvement Committee receives the progress report on the Asset Management Framework.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

This report provides an update to the Audit, Risk & Improvement Committee (the ARIC) regarding the progress made by the Asset Management Framework (AMF) Project Control and Working Groups in advancing the implementation of the Town's AMF.

DETAIL

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

Focus Area	Status Update
Prior Audit Findings	1. Asset Movement Report The consultant engaged to complete the work has not been responding to attempts to make contact. Will now seek another consultant to complete the work. 2. Land & Buildings Revaluation RSM/OAG issued their unmodified opinion on 12.12.25. This action is 100% complete. 3. Auditors The OAG has issued an "emphasis of matter", noting the reinstatement work was completed and has issued an "unmodified opinion". This action is 100% complete.
Roles and Responsibilities	The Roles and Responsibilities document endorsed by AMF PCG on 5 August 2025 is scheduled to undergo review by the AMF PCG on 24 February 2026.The revised version will include a more granular breakdown of responsibilities and inclusion of additional roles to recognize the duties in managing assets across the organisation.

Asset Management Plans	Version 1 of the AMPs have been finalized for
	• Bridges
	• Buildings and Structures
	• Parks Open Space and Public Art
	• Paths
	• Roads
	• Stormwater Drainage
	A more comprehensive second version of the AMPs which incorporate Maintenance Schedules, and Renewal Schedules is currently with Town for review. The review is scheduled to be completed in the week of 16 February 2026.
	An additional AMP - Plant and Equipment - has also been commissioned to extend the capture of our asset management practices to include Fleet, Digital Technology, and Furniture assets.
	A subsequent version 3 will include a review of useful life to better inform asset replacement planning and cost backing of depreciation.
	Once completed, we will have the following AMPs:
	• Bridges
	• Buildings and Structures
	• Parks Open Space and Public Art
	• Paths
	• Plant and Equipment
	    o IT Equipment
	    o CCTV Equipment
	    o Heavy & Light Fleet
	• Roads
	• Stormwater Drainage

Registers	1. Naming Convention Asset renaming is progressing by class, guided ISO 55001, and sequenced to align with the asset revaluation schedules. Since the previous meeting, Bridges and Carparks have been completed, with Kerbing and Roads next on the list. 2. Roads Revaluation Project for FY2025/2026 In alignment with the established revaluation schedule, the Roads asset class is scheduled for valuation in 2025/2026. Finance has engaged a valuer through an RFQ process. In preparation the Engineering Assets Team has undertaken a dedicated project to incorporate and update attribute data, which includes attributes and measures of 6,443 road assets and components. 3. Marina Assets

	The Engineering Assets Team is currently reviewing the asset data breakdown received from the contractor. Finance has reached out to a consultant for the value of the assets, which together will enable the asset register to be updated. 4. Portable and Attractive Assets (PAA) The Portable and Attractive Asset (PAA) Register has been integrated into TechnologyOne as part of the ongoing Enterprise Asset Management (EAM) project. Assets for Leisure, and Arts & Culture have been added and will continue for other asset custodians. The register will be managed by Finance, and all teams will be required to conduct a stock take annually, guided by the FIN008 Portable and Attractive Assets IOP.
GIS Strategy	A recommended approach for the implementation of Enterprise Mapping in OneConnect will be presented to the March OneConnect PCG.
AMF Review	National Asset Management Assessment Framework 2025/26 Review The Town conducted a consultant-led asset management workshop in January to establish a shared understanding of key asset management principles. The workshop included staff from Community Services, Corporate Services, Regulatory Services and Infrastructure Services. As part of the workshop, a guided asset management scorecard was completed using the National Asset Management and Financial Planning Assessment Framework (NAMAF). The final report is expected in early March and will provide improvement recommendations for the Town's attention.
AMF Worklist	The January 2026 AMF PCG endorsed the Priority Activity Outcomes for the next three months. See attachment 1. Feedback will be provided on these Outcomes in the next ARIC Report, as well as putting forward the Outcomes for the subsequent three months.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance, because:

- 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

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

FINANCIAL AND RESOURCE IMPLICATIONS

- Town of Port Hedland Long Term Financial Planning (LTFP)
- 2025-2026 Annual Budget

STRATEGIC SUSTAINABILITY IMPLICATIONS

Council Plan

The following sections of the Town's *Council Plan 2025-2035* apply in consideration of this item:

Our Leadership: We are united in our actions to connect, listen, support and advocate, thereby leveraging the potential of our people, places and resources.

4.2 Transparent and accountable governance and financial sustainability
4.3 Effective delivery of services and infrastructure to meet community needs

Access and Inclusion

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

• Outcome 2 – Buildings and Facilities

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 conditions, 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 (Consequence)	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 Town continues to make steady progress in implementing the AMF, with key audit actions completed and further advancement across asset management plans, registers, and valuation readiness. While some activities remain in progress, appropriate actions are underway to address outstanding items. The AMF PCG will continue to monitor delivery against endorsed priorities and report back to the ARIC on progress in the next reporting period.

ATTACHMENTS

1.   AMF PCG January 2026 - Priority Activity Outcomes - ARIC Feb 26 [**12.6.1** - 1 page]

12.7	Enterprise Resource Planning Implementation Progress Report

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.

OFFICER'S RECOMMENDATION

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

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

This report is to inform the Audit Risk and Improvement Committee (the ARIC) on the progress of the Town of Port Hedland's (the Town) Enterprise Resource Planning (ERP) implementation project.

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. 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	Approved Budget-
Capital	500	2,000	1,464	997	180	5,141	OCM 30 June 2021
Total	674	2,450	1,770	1,309	180	6,383	

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
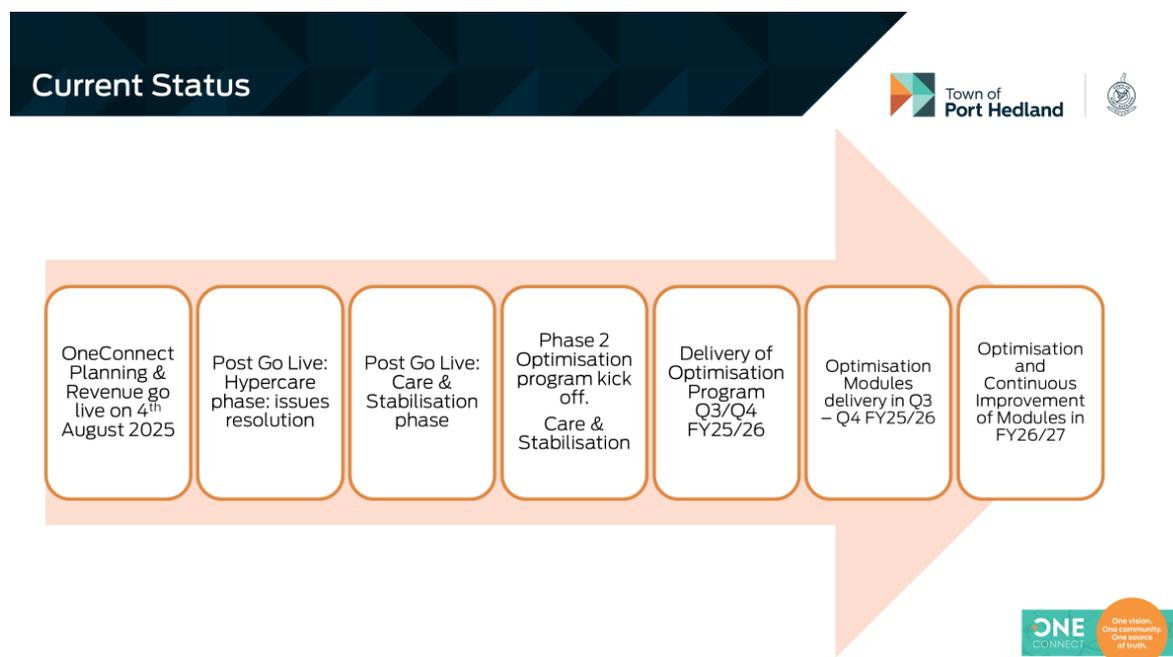• Data cleansing and data migration processes.

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 (1 Jul 21 – 30 Jun 35). A Council briefing was held on 6 March 2024 addressing budget, project structure and schedule.

At the previous ARIC 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.

ERP Project - Project Annual Budgets and YTD Costs

FY22/23 Actual	FY22/23 Budget	FY23/24 Actual	FY23/24 Budget	FY24/25 Actual	FY24/25 Budget	FY25/26 YTD Actual	FY25/26 YTD Budget	YTD Var $	YTD Var%	FY25/26 Annual Budget
494,329	931,383	1,032,191	1,312,113	1,274,509	1,562,000	$ 259,074	$ 782,834	$ 523,760	66.91%	$ 1,626,000
1,043,675	1,027,545	729,249	1,106,862	531,455	599,409	$ 287,961	$ 399,336	$ 111,376	27.89%	$ 612,742
1,538,004	1,958,928	1,761,440	2,418,974	1,805,964	2,161,409	$ 547,035	$ 1,182,170	$ 635,136	53.75%	$ 2,238,742
	420,924		657,534		355,445					

The ERP Program is currently showing a 53% YTD variance, but this gap is expected to be fully recovered with a clear and achievable path to delivering the remaining $1.6M in Material & Contracts through the final months of the year, driven by the transition into high-value execution phases—including configuration cycles, validation, Q3 and Q4 module deployments, and planned vendor uplift—with these combined activities creating the accelerated run-rate required to close the timing-related variance by year end and maintain project schedule

Current Status — Town of Port Hedland

OneConnect Planning & Revenue go live on 4ᵗʰ August 2025 → Post Go Live: Hypercare phase: issues resolution → Post Go Live: Care & Stabilisation phase → Phase 2 Optimisation program kick off. Care & Stabilisation → Delivery of Optimisation Program Q3/Q4 FY25/26 → Optimisation Modules delivery in Q3 – Q4 FY25/26 → Optimisation and Continuous Improvement of Modules in FY26/27

ERP Project - Module Summary

Module Name	License Purchased	Notes
Phase 1		
Finance	Y	Deployed. Active
General ledger	Y	Deployed. Active
Asset Accounting	Y	Deployed. Active
Banking	Y	Deployed. Active
Accounts Payable	Y	Deployed. Active
Cost Centre Management	Y	Deployed. Active
Contract Management	Y	Deployed. Active
Core Functions	Y	Deployed. Active
Corporate Performance Management	Y	Deployed. Active
Enterprise Asset Management	Y	Deployed. Active
Financial Asset Management	Y	Deployed. Active
Work Order Management	Y	Deployed. Active
Project Lifecycle Management	Y	Deployed. Active
HR	Y	Deployed. Active
Talent and Succession	Y	Deployed. Active
Learning and Development	Y	Deployed. Active
Payroll	Y	Deployed. Active
eRecruitment	Y	Deployed. Active
Workforce Management	Y	Deployed. Active
Organisational Management	Y	Deployed. Active
Supply Chain Management	Y	Deployed. Active
Inventory Management	Y	Deployed. Active
Purchasing	Y	Deployed. Active
Contracts	Y	Deployed. Active
Customer Request Management	Y	Deployed. Active
Phase 2		
Spatial Management	Y	FY24/25 (Aug 25) Go Live
Portals (externals accessing)	Y	FY24/25 (Aug 25) Go Live
Revenue Management	Y	FY24/25 (Aug 25) Go Live
Debtors Management	Y	FY24/25 (Aug 25) Go Live
Enterprise Cash Receipting	Y	FY24/25 (Aug 25) Go Live
Billing	Y	FY24/25 (Aug 25) Go Live
Property and Rating	Y	FY24/25 (Aug 25) Go Live
Request Management	Y	FY24/25 (Aug 25) Go Live
Property & Land Management	Y	FY24/25 (Aug 25) Go Live
Name Management	Y	FY24/25 (Aug 25) Go Live
Policy & Compliance	Y	FY24/25 (Aug 25) Go Live
Development Applications	Y	FY24/25 (Aug 25) Go Live
Enterprise Content Management	Y	FY24/25 (Aug 25) Go Live
Phase 2 Optimisation		
V10 DXP	Y	Optimisation FY25/26
V11 Customer Relations Management	Y	Optimisation FY25/26
V12 Grants	Y	Optimisation FY25/26
Strategic Asset Management (SaaS)	Y	Optimisation FY25/26
V13 MySafety *Replaces WHS Monitor Softw*	Y	Optimisation FY25/26
Mobile & Field Apps	Y	Optimisation FY25/26
V14 Electoral	Y	Optimisation FY25/26

Project Update: February 2026

Overview

Since go-live of the Phase 2 Planning & Regulatory (PnR) modules on 4 August 2025, the ERP Program has transitioned from implementation to stabilisation, refinement, and forward planning new functionality. This update outlines the progress to date and the planned work program for Q3 & Q4 (FY25/26) and the proposed direction for FY26/27.

1. Program Status Overview (as of February 2026)

Phase 1 – Core Enterprise System (CES)

- All 25 foundational modules remain deployed and in active use.
- Support continues to be delivered by the BAU Team (Digital Services) and TechnologyOne AMS Support.
- Continuous improvement opportunities exist. 38 electronic workflows have since been established.

Phase 2 – Planning & Regulatory (PnR) – Go Live 4 August 2025

- All 13 PnR modules entered Hypercare (Aug–Sept) and Care Phase (Oct–Nov).
- Modules are actively used across the business with:
    - Ongoing refinement of workflows
    - Adjustments to align with regulatory requirements
    - Targeted improvements from user feedback

This phase is now entering the transition period, with the Planning & Regulatory (PnR) modules progressively moving from the ERP project team into Business-as-Usual. The remainder of FY25/26 will focus on ensuring all change elements are fully addressed, ahead of a planned handover by ERP to BAU end FY25/26.

Phase 2 – Optimisation (FY25/26)

Resourcing and funding confirmed for delivery of five modules:

- Digital Experience Platform (DXP)*
- Grants*
- Strategic Asset Management
- Electoral*
- Field App

denotes additional modules as contract variations

2. Road Ahead – Q3 & Q4 (to June 2026)

The focus from February–June 2026 is on stabilisation, vendor-delivered optimisation, and preparation for FY26/27 scaling (synergising modules).

A. Post Go-Live Refinement for PnR

- Address remaining wash-up items from Care Phase
- Finalise workflow tuning, reporting improvements, and role-based access adjustments
- Ensure full alignment across Planning, Building and Environmental Health modules

B. FY25/26 Module Delivery Completion

Vendor partners will complete work packages for:

- DA/BA Application
- Rangers
- Environmental Services
- Interactions

3. Forward Program – FY26/27

FY26/27 will shift the ERP Program into a stabilisation and strategic uplift year, with three key pillars:

Pillar 1: Post Go-Live Support for Modules Implemented in FY25/26

- Grants
- Strategic Asset Management
- Electoral
- Field App

This period will focus on consolidation, ensuring operational adoption is strong before additional complexity is added.

Pillar 2: Digital Experience Platform (DXP) Deployment FY26/27

The DXP rollout will focus on:

- Unified customer interface for online services
- Simplified forms, workflows, and payments
- Improved customer portal experience across Phase 1 and Phase 2 modules
- Streamlining internal user experience, enabling self-service where possible

DXP is expected to drive customer-facing transformation and significantly reduce manual processing.

Pillar 3: Continuous Improvement – Core Enterprise System (Phase 1 CES) FY's 25/26 26/27

A structured continuous improvement program will focus on:

- Finance – Accounts Payable

- Contract Module

- HR & Payroll process alignment and data quality uplift

- Rates, Revenue, and Property workflow refinements

- Reporting & analytics improvements across the CES

- Consolidated roadmap of CES improvement items prioritised with business units

This acknowledges the natural evolution of system usage since CES go-live and incorporates 3+ years of user feedback.

4. Summary

The ERP Program has moved from major builds into a period of structured consolidation, optimisation, and digital uplift.

The remainder of FY25/26 will concentrate on system stabilisation and vendor-led completion of outstanding ERP modules. From FY26/27, the program will shift to a balanced operating model focused on:

- Post–go-live strengthening and risk reduction
- DXP customer experience transformation initiatives
- Continuous improvement and optimisation of the Core Enterprise System

This transition ensures continued realisation of value from the ERP investment, supports risk-managed operations, and establishes a scalable digital foundation for future organisational needs.

To enable delivery of these activities and maintain stable ERP operations, a defined baseline approval will be required for FY26/27 to cover planned enhancement works as well as ongoing business-as-usual (BAU) support.

Project Timeline
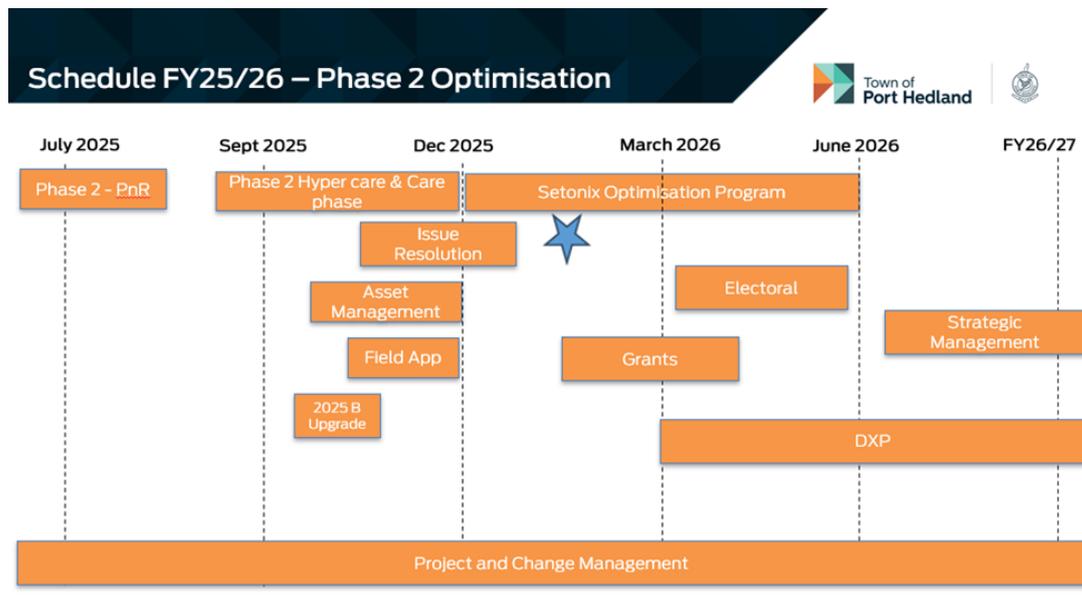
Key milestones:

- **ECM Data Migration Success – 99% Accuracy Achieved**

  The ECM migration delivered a **99%** accuracy and completeness rate, demonstrating strong data governance and reducing residual operational and compliance risk.

- **Hypercare & Care State Completed (Aug–Dec 2025)**

  Funded and resourced delivery for five modules:

  - Grants
  - Digital Experience Platform (DXP)
  - Electoral
  - Strategic Asset Management
  - Field App

- **TechnologyOne (T1) Contract**

  Full reconciliation between Synergy and OneConnect was achieved, providing assurance over the accuracy and integrity of financial data migrated into the new ERP environment.

<u>Project Risks and Mitigations</u>

Risk Area	Risk Summary	Mitigation Summary
Access Management	Inconsistent role permissions, slow onboarding/offboarding, and privilege creep (users retaining excess access from past roles) increase compliance, privacy, and segregation-of-duties risks.	Access governance framework, quarterly access reviews, standard role profiles, removal of outdated permissions, and streamlined provisioning workflows (BAU).
Staff Turnover & Internal Movements	Staff changes reduce system knowledge and lead to inconsistent process execution and dependency on support teams.	Role-based training, knowledge library, cross-training, refresher training, workflow simplification.
Optimisation Scope Creep	Expansion beyond approved scope threatens delivery timelines, cost, and quality.	Strict change control, baseline scope adherence, impact assessments, prioritisation, Project Control Group oversight. Quarterly ARIC reporting.
Vendor Dependency & Capacity Constraints	Reliance on specialist vendors creates bottleneck delivery and resource availability risks.	Milestone-driven contracts, early vendor engagement, escalation pathways, and phased planning.

<u>External Support Engagements:</u>

TechnologyOne (T1) Contract

A detailed review of the TechnologyOne (T1) contract has been completed using the ERP Contract Management module, enabling improved structure and transparency in assessing contractual obligations. The contract variation has now been finalised following collaboration between Finance, Contracts, and TechnologyOne. This alignment ensures the contract accurately reflects current obligations and enhances transparency, providing a more robust basis for future contract management, financial forecasting, and governance oversight.

Setonix Digital Services acquired for Phase 2 Optimisation Program

Setonix Digital Services was engaged to support project delivery following its acquisition within the program's vendor landscape. Engagement was undertaken through a formal Request for Quotation (RFQ) process conducted in full compliance with the Town of Port Hedland Procurement Guidelines, ensuring transparent and compliant market testing.

A one-year contract (Contract #CT000553) valued at $300,000 has been executed for the period 1 January 2026 to 6 January 2027. This contract provides clearly defined commercial arrangements and supports strong procurement and governance oversight.

Change Management Resourcing – Price Consulting Group

Price Consulting Group has been engaged to provide specialist change management support for the One Connect Program, delivering a current state assessment, a change management strategy and roadmap, and structured stakeholder engagement activities. This engagement covers approximately 80 hours (about 7 days) of consulting services at a total estimated cost of $22,400 plus GST, with optional ongoing implementation support available at $280 per hour plus GST for communications, training, readiness assessment, and other change enablement activities as required.

Next Steps

- **Ensure delivery of Regulatory modules** by Setonix Digital in accordance with approved scope, budget, and timelines.

- **Commence execution of the detailed implementation plan** for DXP, Grants, Electoral, and Strategic Asset Management modules.

- **Maintain ongoing contract governance, financial oversight, and reporting** to support transparency, accountability, and compliance with procurement and project controls.

The Project Control Group (PCG) summary of project tasks is included in **Attachment 1.**

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
- Sentonix Digital
- Price Consulting

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

Our Leadership
We are united in our actions to connect, listen, support and advocate, thereby leveraging the potential of our people, places, and resources.

4.2 Transparent and accountable governance and financial sustainability.

Access and Inclusion

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

Nil.

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
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. The risk rating is considered to be Medium (9) which is determined by a likelihood of Possible (3) and a consequence of Moderate (3). This risk will be accepted through effective project management and oversight reporting.	

OPTIONS

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

CONCLUSION

The Town's 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.   ER P_-_ PC G_-_ Attachment S L 2525 Nov t Fd Lk W 5 r 4 ke Fs Vxu Ut 7 u Nw 8 C 9 d V 3 q 7 Rka J 7 [**12.7.1** - 2 pages]

13 Motions of Which Previous Notice have been given

Nil.

14 New Business of an Urgent Nature (Late Items)

Nil.

15 Matters for Which Meeting May be Closed (Confidential Matters)

PROCEDURAL MOTION

That the Audit, Risk and Improvement 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 15.1.

SIMPLE MAJORITY VOTE REQUIRED

15.1	Town Debtors

Reasons for Confidentiality
b   the personal affairs of any person

PROCEDURAL MOTION

That the Audit, Risk and Improvement Committee re-open the meeting to members of the public.

SIMPLE MAJORITY VOTE REQUIRED

16 Closure

16.1 Date of Next Meeting

The next Audit, Risk and Improvement Committee Meeting will be held on Tuesday 12 May 2026 commencing at 5:30pm.

16.2 Closure
There being no further business, the Presiding Member declared the meeting closed.

TOWN OF PORT HEDLAND

AUDIT, RISK AND IMPROVEMENT COMMITTEE

TERMS OF REFERENCE

1. Purpose

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

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

2. Establishment and Appointment

2.1   The ARIC 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").

2.2   Appointment of members is by absolute majority of Council in accordance with section 7.1A(2) of the Act.

3. Role

The ARIC 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. Authority and Independence

The ARIC does not have executive powers or authority to implement actions in areas over which the administration (management) has responsibility. Furthermore, the ARIC does not have any delegated financial responsibility. This ensures that the ARIC can 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 ARIC:

4.1   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].

4.2   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.

4.3   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].

5. Membership

<u>Composition</u>

5.1   The ARIC will comprise of three (3) to five (5) members.

5.2   A minimum of two (2) independent members is required.

5.3   Other members may be elected members of Council and/or additional independent members, provided the maximum of five (5) is not exceeded.

5.4   The Chief Executive Officer and employees of the Town are not members of the Committee.

5.5   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].

5.6   The Presiding Member cannot be a Council member of the local government or of any other local government.

5.7   Any Deputy Presiding Member cannot be a Council member of the local government or of any other local government.

5.8   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].

5.9 Deputy Members do not operate as substitutes for individual members. In situations where more than one Deputy Member attends 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

5.10 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

5.11 The Presiding Member and Deputy Presiding Member will be appointed by the Council at a meeting of the Council following an Election.

Skills and Experience

5.12 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.

5.13 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

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

Declaration of an Interest

5.15 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

5.16 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 Committee members provide a notice period of three (3) months.

Administration attendance

5.17 The following individuals from the Town's administration will be present at 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 Officer

6. Meetings

6.1 The Committee shall meet at least quarterly.

6.2   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.

6.3   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.

6.4   All Elected Members are invited to attend each Committee meeting but will not be eligible to vote on any items presented at the meeting.

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

6.6   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).

6.7   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.

6.8   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 these terms of reference.

6.9   Meeting agendas will be prepared and provided at least 72 hours in advance to members, along with appropriate briefing materials.

6.10 Minutes will be taken at each meeting and presented to the subsequent meeting for confirmation.

6.11 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.

6.12 Voting is in accordance with Section 5.21 of the Act.

7. Responsibilities

The Committee will fulfill the following responsibilities:

7.1 Improvement

- Review and advise on the effectiveness of improvement initiatives, including those arising from internal audits, external reviews, and strategic planning processes.

- Monitor the implementation of agreed recommendations to ensure they are actioned appropriately and contribute to enhanced organisational performance.

- Identify systemic issues or trends that may require broader organisational attention or policy-level responses.

7.2 Risk Management and Fraud Risk Management

- Reviews and advises on the adequacy and appropriateness of the Town's risk management framework and its capacity to effectively identify, assess, and manage key risks.

- Assesses whether a sound and effective approach has been adopted in managing major risks across the organisation, including those associated with strategic projects, program delivery, and operational activities.

- Reviews the development and implementation of fraud control arrangements and provides assurance that appropriate systems and processes are in place to detect, report, and respond to fraud-related matters.

- Advises on the effectiveness of business continuity and disaster recovery planning, including whether these plans are subject to regular review and testing to ensure organisational resilience.

- Considers emerging risk trends and systemic issues, and reports these to Council where appropriate.

7.3 Internal Control and Internal Audit

- Ensure adequate systems of internal control are in place to mitigate key business risks and promote the effectiveness and efficiency of operations.

- 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.

- 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.

- Monitor management's implementation of internal audit recommendations, processes and practices to ensure that the independence of the audit function is maintained.

- 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.

7.4 External Audit

- 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).

- Consider the findings and recommendations of relevant Performance Audits undertaken by the external auditor and ensure the Town implements relevant recommendations.

- Meet with the external auditors to discuss any matters that the Committee or the external auditors believe should be discussed privately.

- Annually review and suggest improvements to the performance of external audit including the level of satisfaction with the external audit function.

- Monitor management's implementation of external audit recommendations.

7.5 Financial Reporting

- 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.

- 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.

- Review with management and the external auditors all matters required to be communicated to the ARIC under the Australian Auditing Standards and suggest improvements if required.

- 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.

7.6 Compliance

- 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.

- 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.

- Obtain updates from management about compliance matters.

- Review and suggest improvements to the annual Compliance Audit Return (subject to legislation) and report to the Council the results of the review.

7.7 Reporting

- Report regularly to the Council on Committee activities, issues, and related recommendations through circulation of minutes.

7.8 Other Responsibilities

- Perform other activities related to these terms of reference as requested by the Council or through audit recommendations.

- Request that the Chief Executive Officer perform a review after an Election, suggest improvements to and assess the adequacy of the Committee terms of reference, request Council approval for proposed changes, and ensure appropriate disclosure as might be required by legislation or regulation.

8. Definitions

Term	Definition
Act	*Local Government Act 1995*
ARIC	Audit, Risk & Improvement Committee
Audit Regulations	*Local Government (Audit) Regulations 1996*
Committee	Audit, Risk & Improvement Committee
Council	Council of the Town of Port Hedland
Town	The Town of Port Hedland
TOR	The Terms of Reference

9. Version Control

Version	Meeting
V1	*Adopted by Council at its Ordinary Meeting held 16 November 2011.*
V2	*Amended by Council at its Ordinary Meeting held 23 October 2013.*
V3	*Amended by Council at its Ordinary Meeting held on 11 December 2013.*
V4	*Amended by Council at its Ordinary Meeting held on 27 May 2015.*
V5	*Amended by Council at its Ordinary Meeting held on 28 October 2015.*
V6	*Amended by Council at its Ordinary Meeting held on 22 June 2016.*
V7	*Amended by Council at its Ordinary Meeting held on 24 May 2017.*
V8	*Re-Adopted by Council at its Ordinary Meeting held on 1 November 2017.*
V9	*Re-Adopted by Council at its Ordinary Meeting held on 19 December 2019.*

V10	*Amended by Council at its Ordinary Meeting held on 23 September 2020.*
V11	*Amended by Council at its Ordinary Meeting held on 7 September 2022.*
V12	*Amended by Council at its Ordinary Meeting held on 29 May 2024.*
V13	*Amended by Council at its Ordinary Meeting held on 10 December 2025.*