



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 12 May 2026**, commencing at **5:30pm**.

MEETING AGENDA ATTACHED

Yours faithfully

Kenneth Donohoe
Temporary Chief Executive Officer

8 May 2026

DISCLAIMER

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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."

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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:

Alan Lamb (Presiding Member)
Sonia McKeiver (Deputy Presiding Member)
Mayor Jacinta Behrend
Councillor Russell McDowall
Councillor Sharon Todd

Scheduled for Attendance:

Dale Stewart (Chief Executive Officer)
Florian Goessmann (A/Director Corporate Services)
Renaë Doyle (Manager Governance)
Stephanie Sikaloski (Senior Audit, Risk & Insurance Advisor)
Kaleena Cruickshank (Manager Financial Services)

3.2 Attendance by Telephone / Instantaneous Communications

3.3 Apologies

3.4 Approved Leave of Absence

3.5 Disclosures Of Interest

4 Applications for Leave of Absence

5 Agenda Feedback Session

An Agenda Feedback Session was held on Monday, 4 May 2026. The session gave committee members an opportunity to raise questions, improve meeting efficiency, and provide feedback to support ongoing improvements in reporting.

Key discussion points included clarification on the timing of the Compliance Audit Return (CAR), noting it has been deferred in line with the Local Government Inspector's direction and is currently expected to be presented in August, subject to further guidance. Members also provided feedback to improve report clarity and usability, including separating internal and external audit items in the Audit Log and making procurement reporting more intuitive and easier to follow.

Committee members also provided feedback on the reputational risk category within the Risk Appetite Statement (Item 12.3), noting that the overall appetite was unclear, with some drivers sitting at low appetite and others at moderate. In response, Management has updated the Risk Appetite Statement by splitting Reputational Risk into two categories: Reputational Risk (Strategic) and Reputational Risk (Integrity). This helps distinguish between risks arising from lawful strategic decisions made to achieve community outcomes and those resulting from non-compliance or integrity breaches.

This change introduces two separate risk appetites, strengthens the focus on integrity, and supports more effective risk-based decision-making across the organisation.

6 Response to Previous Questions

6.1 Response to Questions taken on notice from Elected Member at the Audit, Risk and Improvement Committee Meeting held on 10 March 2026

Nil.

6.2 Response to Questions taken on notice from Public at the Audit, Risk and Improvement Committee Meeting held on 10 March 2026

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

OFFICER'S RECOMMENDATION

That Committee Members confirm that the Minutes of the Audit, Risk and Improvement Committee Meeting held on 10 March 2026 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	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.

OFFICER'S RECOMMENDATION

That the Audit, Risk and Improvement Committee endorses the revised 2026 Annual Work Plan Review, as per Attachment 1.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

Following the re-establishment of the Audit, Risk and Improvement Committee (the ARIC) under revised legislation, and the appointment of new elected and independent members in April 2026, this report presents the revised 2026 ARIC Annual Work Plan (Work Plan) for endorsement.

The report outlines proposed variations to the work plan since March 2026 which aligns with the revised ARIC Terms of Reference (TOR)

DETAIL

The Work Plan is structured around the committee's legislated functions and the revised TOR. It is aligned to the approved ARIC meeting schedule for 2026 to ensure timely and relevant reporting and assurance activity.

The Work Plan was originally endorsed in November 2025 and re-endorsed in March 2026 by the former ARIC. It allocated agenda items across four meetings scheduled for 10 March, 12 May, 11 August, and 24 November 2026.

Since the March meeting, two material changes to the work plan have occurred.

Business Continuity Plan review – deferred

The Business Continuity Plan (BCP) review, originally scheduled for the May 2026 meeting, has been deferred to August 2026. This will allow management sufficient time to complete implementation and testing of updated continuity arrangements.

At the March meeting, the former Director of Regulatory Services and Manager of Environmental Services advised that BCP implementation activities were underway. Given the shortened timeframe and the appointment of new ARIC members, deferring the review will enable a more comprehensive and meaningful assessment. In the interim, management will continue to monitor critical services and test recovery processes as appropriate.

Terms of Reference review – removed

The work plan previously included a review of the ARIC TOR at the May 2026 meeting. To ensure the re-established ARIC operated under current and legislatively aligned TOR, administration progressed this review ahead of the committee's commencement, consistent with advice from WA Local Government Association (WALGA).

Council adopted the revised ARIC TOR at the Ordinary Council Meeting on 29 April 2026. Accordingly, a further review is no longer required within the 2026 work plan.

The revised TOR reflect recent legislative reforms and clearly articulate the committee's role, functions, membership requirements, independence, and reporting obligations.

Additional non-material updates:

1. Integrity Framework - The Integrity Framework was originally scheduled for consideration at the May 2026 meeting. The organisational integrity maturity self-assessment has since been completed, and development of the framework is now underway. Accordingly, the work plan has been updated to reflect reporting across both the May and August meetings.
2. Inclusion of Forward Improvement Plan reporting
3. Inclusion of ad-hoc reporting

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 – Significant Decision Making, this item is considered to be of low significance, as it does not involve a material impact or decision.

While not mandatory, the report is presented as a good-governance measure to ensure the ARIC Annual Work Plan remains aligned with the revised TOR, legislative requirements, and organisational priorities.

CONSULTATION

Internal

- ELT
- Manager Governance

External Agencies

- Nil.

Community

- Nil.

LEGISLATION AND POLICY CONSIDERATIONS

Local Government (Audit) Regulations 1996:

- Regulation 16 prescribes the functions of the ARIC, including providing guidance and assistance on financial management, risk management and legislative compliance.

- Regulation 17 requires the Chief Executive Officer to periodically review the effectiveness of the local government’s systems and procedures and report the results to the ARIC.

ARIC Terms of Reference (2026):

- States the committee’s functions under Regulation 16 and additional responsibilities determined by Council.
- Requires management to present an annual forward work plan to support the committee’s oversight and assurance role.

FINANCIAL AND RESOURCE IMPLICATIONS

Nil.

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

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

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 maintain appropriate oversight of governance, risk and compliance functions in accordance with the ARIC Terms of Reference and legislative requirements.
Effect (Consequence)	Potential assurance and good-governance gaps, resulting in increased exposure to compliance and operational risks.
Risk Treatment	Treat

There is an operational risk associated with this item arising from inadequate oversight of the functions prescribed by the ARIC Terms of Reference and relevant regulations. This may lead to reduced assurance, governance gaps, and increased exposure to compliance or operational risks.

The risk rating is considered to be Medium (6), based on a likelihood of Unlikely (2) and a consequence of Moderate (3).

This risk will be treated through endorsement and implementation of the revised work plan.

OPTIONS

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

CONCLUSION

The Work Plan is a key governance mechanism that supports the ARIC in fulfilling its legislative responsibilities. It structures reporting and assurance activities in line with the ARIC’s Terms of Reference and the approved 2026 meeting schedule.

The primary amendments for the May meeting are the deferral of the BCP review to August and the removal of the TOR review following Council’s adoption of the revised TOR on 29 April 2026. The work plan also strengthens the ARIC’s forward oversight by incorporating monitoring of the Forward Improvement Plan.

Endorsing the revised work plan will enhance the effectiveness of the ARIC and support strong governance, risk management, and compliance oversight across the organisation.

ATTACHMENTS

1. Draft Revised ARIC Work Plan [**12.1.1** - 1 page]
2. ARIC Work Plan Endorsed March 2026 [**12.1.2** - 4 pages]

12.2 Integrity Maturity Self-Assessment

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.

OFFICER'S RECOMMENDATION

That the Audit, Risk and Improvement Committee notes the results of the Town of Port Hedland's Integrity Maturity Self-Assessment undertaken using the Public Sector Commission's Integrity Framework Maturity Self-Assessment Tool, as per Attachment 1.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

The purpose of this report is to present to the Audit, Risk and Improvement Committee (the ARIC) the results of the Town of Port Hedland's (the Town) integrity maturity assessment, outline the key themes arising from that assessment, and set out the proposed next steps for development of the Town's Integrity Framework (the Framework).

DETAILBackground and context

The Town operates in a complex local government environment requiring sound governance across a wide range of statutory, operational, financial, and community-facing functions. As a regional local government, the Town's operating environment includes broad service delivery responsibilities, significant procurement and contract management activity, regulatory decision-making, management of public resources, and regular interaction with external stakeholders, contractors and community members. In that context, a mature integrity framework is an important governance mechanism. It supports lawful and ethical decision-making, strengthens public confidence, and assists the organisation to prevent, detect and respond to fraud, corruption, and other misconduct risks in a structured manner.

The assessment indicates that the Town has a sound base of integrity-related controls already in place. Core policies and procedures exist, integrity risks have been identified, annual Code of Conduct refresher training is established, and governance processes such as the Audit Log and Compliance Audit Return provide a level of oversight. Notwithstanding these strengths, the assessment also identified that integrity practices are not yet applied consistently across all parts of the organisation and that a more deliberate, coordinated and documented whole-of-organisation approach is required to support further maturity.

How the assessment was undertaken

The integrity maturity assessment was undertaken in-house by the Audit, Risk and Insurance function in its capacity as the Town's second line oversight function. This approach was appropriate given the function's role in providing governance, risk and assurance oversight across the organisation and its visibility of integrity-related controls, risk information and assurance outcomes.

The Public Sector Commission's Integrity Framework Maturity Self-Assessment Tool was used to assess the Town's current maturity across 13 elements. The assessment was evidence-based and drew on a range of available information, including:

- existing integrity-related policies, procedures and registers;
- internal audit results and action tracking;
- Compliance Audit Return outcomes and related follow-up activities;
- fraud and corruption control documentation;
- interviews and discussions with relevant process owners and subject matter experts; and
- supporting documents such as training records, delegations' information, and governance records.

The assessment was intended to provide a baseline view of the Town's current maturity. It is a diagnostic exercise to inform framework development, prioritisation and sequencing of improvement actions.

Summary of overall results

The assessment considered 13 elements. The Town's assessed maturity across those areas was as follows:

Element	Assessed Maturity
1. Clear Expectations	Developing/Embedded
2. Roles and Responsibilities	Developing/Embedded
3. Legislation and Regulations	Embedded
4. Risk Analysis and Planning	Embedded
5. Internal Controls, Audit and Governance	Developing/Embedded
6. Fraud and Corruption Detection	Developing/Embedded
7. Values and Standards	Embedded
8. Leadership and Management Attitude	Developing
9. Organisation Culture	Developing
10. Integrity Education and Capacity	Emerging/Developing
11. Response to Integrity Breaches	Developing/Embedded
12. Self-Analysis and Review	Developing
13. Oversight	Developing

Overall, the results reflect an organisation that has established several important foundational integrity controls, but which has not yet fully integrated those elements into a consolidated, consistently applied framework supported by clear ownership,

structured reporting, scheduled review activities and organisation-wide reinforcement mechanisms.

Key strengths identified

The assessment identified several areas of strength, including:

- statutory and regulatory obligations are generally documented and tracked through established compliance and governance mechanisms;
- delegations are current, with role holders provided with clear authority instruments;
- integrity risks are recognised within broader risk management processes and supported by methodologies aligned to ISO 31000 and AS 8001;
- core integrity policies and procedures are in place across key areas such as fraud and corruption, public interest disclosures, conflicts of interest, gifts and codes of conduct;
- annual Code of Conduct refresher training is established and monitored; and
- internal and external audit processes, together with the Audit Log, provide an existing mechanism for tracking corrective actions and control improvements.

These strengths provide a credible platform from which to formalise and mature the Town's Integrity Framework.

Improvement opportunities identified

The assessment identified a range of improvement opportunities. These are not final endorsed actions. They are preliminary opportunities arising from the assessment and will need to be discussed with relevant managers and subject matter experts to determine feasibility, priority, timing, ownership, resourcing, system implications and change impacts before embedding into the Framework.

Key opportunities identified include:

- establish a structured integrity communications schedule, including tone-from-the-top messaging;
- embed values and integrity prompts into organisation-wide performance development processes;
- develop a clear integrity roles and responsibilities map, including escalation pathways;
- introduce more proactive legislative scanning and an exercised delegations register with subsequent controls testing;
- implement periodic integrity risk reviews and emerging risk scanning;
- develop an assurance map and a more deliberate program of targeted integrity assurance activity;
- formalise a small suite of repeatable exception tests in high-risk areas;
- strengthen leadership expectations through role descriptions, performance expectations and practical training;

- develop an annual integrity communications and engagement plan supported by de-identified lessons learned;
- prepare a formal Integrity Education Plan with role-based learning requirements and tracking mechanisms;
- review and strengthen breach response procedures and the quality assurance of those processes;
- establish a scheduled review cycle and consolidated recommendations register for integrity-related improvement actions; and
- develop an Integrity Reporting Calendar and simple integrity performance indicators for reporting to ELT and ARIC.

The above is a comprehensive list. It is not feasible to address them all in the immediate term. Management consultation and prioritisation discussions will need to be finalised first, and immediate priorities will be addressed within the implementation plan.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance because it addresses key governance and fraud mechanisms at the Town.

CONSULTATION

Internal

- ELT
- Executive Manager Human Resources
- Principal HR Operations
- Senior Governance Advisor

External Agencies

- Public Sector Commission

Community

- Nil.

LEGISLATION AND POLICY CONSIDERATIONS

- Local Government Act 1995 – s5.87A-5.87B, s5.103
- Corruption, Crime and Misconduct Act 2003 – s7A-7B, s28, s29
- Public Interest Disclosure Act 2003 – s8-9, s10, s13, s14, s23
- AS8001-2021 Fraud and Corruption Control Standards;
- Public Sector Commission guidance; and
- the Town's own policies, procedures and governance instruments relating to fraud and corruption, disclosures, conflicts of interest, gifts, delegations and codes of conduct.

FINANCIAL AND RESOURCE IMPLICATIONS

The maturity assessment itself was undertaken internally using existing resources within the Audit, Risk and Insurance function. It is anticipated that a substantial proportion of the framework development work can also be progressed using existing internal capability.

At this stage, the financial implications associated with the improvement opportunities are expected to be modest, but they are not yet fully quantified. Subject to management agreement on the final scope of actions, some additional operational funding may be required to support targeted integrity training, development of learning materials, and enhancement of basic data analytics or exception testing capability. Based on the preliminary assessment, a relatively minor allocation may be required within the 2026-27 operational budget to support selected priority actions.

In addition, integrity-related assurance activity in higher-risk areas may need to be considered as part of future internal audit planning, including the 2027-2029 Strategic Internal Audit Plan.

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

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

Access and Inclusion

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

Nil

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Strategic
Risk Category	Compliance
Cause	<ul style="list-style-type: none"> Improvement opportunities identified through the assessment are not agreed by management; and Integrity training, communication, and monitoring arrangements remain inconsistent across the organisation.

<p>Effect (Consequence)</p>	<ul style="list-style-type: none"> • Breaches of the Local Government Act 1995, Public Interest Disclosure Act 2003, Corruption, Crime and Misconduct Act 2003, internal policies or other regulatory obligations • Repeat audit findings, adverse assurance outcomes or regulatory scrutiny; and • Increased exposure to fraud and misconduct due to gaps in prevention, detection, and response arrangements.
<p>Risk Treatment</p>	<p>Treat</p>
<p>There is a strategic risk associated with this item caused by inaction of improvement opportunities identified and inconsistency of integrity practices across the organisation, leading to potential breach in legislation, regulation or policy, increased fraud/misconduct exposure and repeat assurance findings.</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 treated by:</p> <ul style="list-style-type: none"> • finalising management consultation on the maturity assessment findings and formally agreeing to prioritise certain actions, owners and timeframes; and • developing and implementing the Integrity Framework. 	

OPTIONS

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

CONCLUSION

The integrity maturity assessment provides a baseline view of the Town's current integrity capability. It confirms that the Town has several important integrity controls already in place. It also confirms that further work is required to better integrate these components into a formal integrity framework supported by clearer leadership expectations, stronger education and communication mechanisms, improved detection practices, and more consolidated oversight and review.

The improvement opportunities identified will now be discussed with management, refined where necessary, and incorporated into the Integrity Framework as agreed. Subject to that consultation and development work, it is proposed that the draft Integrity Framework be presented to the ARIC in August 2026.

On that basis, it is recommended that the ARIC note the results of the assessment and the proposed next steps.

ATTACHMENTS

1. 20251213 Integrity Framework Maturity Self-Assessment Tool [**12.2.1** - 27 pages]

12.3**Risk Appetite Statement 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 recommend that Council adopt the reviewed Risk Appetite Statement, as per Attachment 1.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

The purpose of this report is to present the reviewed Risk Appetite Statement (RAS) for the Audit, Risk and Improvement Committee's (the ARIC) review and endorsement, in line with its responsibilities outlined in the Terms of Reference (TOR) and the approved work plan.

DETAIL

The RAS sets the level and type of risk the Town of Port Hedland (the Town) is prepared to accept in pursuit of its strategic and operational objectives. It provides a clear boundary between acceptable and unacceptable risk, supported by defined tolerances that act as practical indicators when risk positions are approaching, meeting, or exceeding defined limits. These tolerances serve as early warning points to prompt reassessment, targeted mitigation, and appropriate escalation.

The revised RAS also clarifies roles and decision-making responsibilities. Council is responsible for setting the Town's overall risk appetite and establishing its expectations for oversight. In turn, the CEO is accountable for implementing these expectations through the Town's risk management framework and ensuring they are embedded into day-to-day decision-making, reporting, planning, and service delivery.

Key updates:

1. Refinement of appetite terminology so that it is fully aligned to the Town's risk scoring bands and risk-acceptance approach. This includes replacing the former "Zero" category with a more accurate and practicable "Low" appetite category, while retaining clear "will not tolerate" positions for matters that carry significant legal, safety or community impacts.
2. The former "Project" category has been separated into two separate categories, Project Schedule and Project Cost, to provide clearer accountability and more

targeted monitoring of project-related risks. This update will be reflected in the Town's risk assessment and acceptance criteria, ensuring each dimension of project risk is assessed on its own merits as part of the upcoming review of the Risk Management Framework.

3. Updated appetite positions, drawing on insights from the recent strategic risk workshop held with Marsh and attended by the Executive Leadership Team (ELT) and Strategic Leadership Team (SLT).

Attachment 2 contains the 2022 RAS, adopted by Council on 30 June 2022 (CM202122/225). Attachment 3 contains the ELT Briefing Note outlining a detailed comparison between the 2022 and 2026 versions. These attachments have been marked confidential in accordance with s.5.23(4)(e) of the Local Government Act 1995, considering 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.

Attachments outline internal risk tolerances, triggers, and escalation protocols. Public release could expose control boundaries, enable circumvention of compliance monitoring, and compromise operational/cyber security.

How tolerances and escalation will operate:

Tolerances translate the RAS into operational practice. When a tolerance is reached or exceeded, risk owners have a clear obligation to:

- Reassess the residual risk rating
- Identify and implement treatments where this is reasonably practicable
- Escalate the matter in accordance with the escalation pathway set out in the RAS

This approach ensures risks are managed proactively rather than reactively.

The RAS also aligns with a consistent risk-acceptance model based on residual risk level. This defines who can authorise acceptance of each risk category, the minimum monitoring required, and reporting frequency.

Implementation of the RAS will occur through the Town's risk registers, scheduled review cycles, and ongoing monitoring processes. The updated appetite positions have also been integrated into the Town's central risk management system, enabling automated comparison between actual residual risk ratings and the Town's stated appetite, and supporting more consistent oversight and reporting.

A full review of the RAS is planned every three years, or earlier if there are significant changes in the Town's operating environment, strategic direction, or overall risk profile.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance, based on its governance implications and the role of the RAS in guiding risk-based decision-making, escalation, and organisational assurance.

CONSULTATION

Internal

- Executive Leadership Team
- Manager Governance
- Manager Environmental Services
- Manager Financial Services
- Manager Public Affairs
- Principal Health, Safety & Wellness
- Senior Procurement & Contracting Advisor

External Agencies

- In 2025, Marsh conducted a Strategic Risk Workshop, the outcomes of which informed updates to the appetite levels for two risk categories. The Risk Appetite Statement itself was prepared internally.

Community

- Nil.

LEGISLATION AND POLICY CONSIDERATIONS

- ISO 31000:2018 Risk Management Guidelines
- Town of Port Hedland Risk Management Framework
- Policy 1/022 Risk Management
- Town of Port Hedland Project Management Framework
- Policy 2/007 Procurement Policy
- *Local Government Act - Part 7*
- *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

- 2025-26 Annual Budget – Salaries and Wages

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	Inadequate communication and implementation support for the revised appetite/tolerances
Effect	Inconsistent application of tolerances, confusion regarding "Low" vs former "Zero" terminology, and reduced effectiveness of escalation and reporting triggers.
Risk Treatment	Treat
<p>There is a risk that the revised RAS may not be applied consistently during the initial transition period as staff adapt to the updated appetite positions, tolerances, and escalation requirements. This risk is being mitigated through targeted training delivered as part of the Town's internal risk management workshops, ensuring that risk owners, secondary risk owners and control owners clearly understand the changes and apply the updated RAS requirements when monitoring, assessing and escalating risks.</p> <p>The residual risk rating for this transitional risk is assessed as Low (4), based on a likelihood of Unlikely (2) and a consequence of Minor (2).</p>	

OPTIONS

Option 1 – Adopt officer's recommendation

Option 2 – Amend officer's recommendation

Option 3 – Do not adopt officer's recommendation

CONCLUSION

The revised RAS provides a clearer and more contemporary articulation of the Town's appetite positions, tolerances and escalation expectations. The updates ensure the RAS reflects the Town's current operating environment, governance needs and organisational priorities, while supporting greater consistency and transparency in how risk appetite is applied. Endorsement of the updated RAS will ensure the Town maintains a well-defined and current position on the level of risk it is prepared to accept as circumstances evolve.

ATTACHMENTS

1. CONFIDENTIAL - DRAFT 2026 Risk Appetite Statement [**12.3.1** - 14 pages]
2. CONFIDENTIAL - 2022 Town of Port Hedland Risk Appetite Statement [**12.3.2** - 10 pages]
3. CONFIDENTIAL - 20251230 Risk Appetite Statement ELT Briefing Note [**12.3.3** - 8 pages]

Risk records are maintained within the Town's risk management system and are subject to periodic review with risk owners and secondary risk owners. Additional review is undertaken where changing circumstances or the level of residual risk warrant closer monitoring.

At a high level, the Town's risk assessment methodology distinguishes between three key risk positions:

- Inherent risk - the level of risk that exists in the absence of controls;
- Residual risk - the level of risk remaining after current controls are considered; and
- Forecast risk - the expected future risk position after planned treatments or improvement actions are implemented.

This approach assists management and the ARIC to distinguish between the underlying exposure, the current managed position, and the intended direction of travel.

Under the Town's current reporting approach, strategic risks are reported to the ARIC annually, while high and extreme residual risks are reported quarterly. This supports ARIC oversight of the Town's most material current exposures while maintaining an annual view of the broader strategic risk profile.

Strategic Risk Overview

During the quarter, a high-level review of the Strategic Risk Register was completed and presented to the Executive Leadership Team (ELT) on 21 April 2026.

Three (3) new strategic risks were added to the register relating to:

- native title and Aboriginal heritage obligations;
- geopolitical supply chain disruption and contract cost escalation; and
- governance independence arising from organisational structure.

As at 22 April 2026, the Town's Strategic Risk Register comprises 12 strategic risks. Of these, five (5) are currently assessed as High on a residual basis and seven (7) are assessed as Medium. No strategic risks are currently assessed as Extreme on a residual basis.

At a high level, the current strategic risk profile shows the Town's most significant residual exposures are concentrated in the areas of workforce capability, contractor and supplier availability, external funding and strategic partnerships, project delivery, and native title and Aboriginal heritage obligations. The strategic profile also reflects emerging governance and market pressures relevant to the Town's current operating environment.

The updated strategic heatmap indicates that forecast ratings are expected to improve in several areas as treatment actions mature. This is particularly relevant to several

recently refreshed or newly added risks where further control development, treatment implementation and executive oversight are still underway.

Attachment 1 provides an excerpt of the Strategic Risk Register for the ARIC's information.

Operational Risk Overview

In accordance with reporting requirements under the Risk Management Framework, operational risks assessed as High or Extreme must be reported to the ARIC quarterly. These risks have been reviewed during the reporting period and are outlined in Attachment 2.

Residual Risk Rating	Previous Quarter	This Quarter
High	5	4
Extreme	1	4
Total	6	8

Attachment 2 provides an excerpt of the Operational Risk Register limited to High and Extreme residual risks.

Attachment 3 provides a detailed risk movement analysis comparing Q2 and Q3 residual risk ratings.

Upcoming Risk Management Activity

A key focus area over the next period is the Enterprise Resource Planning (ERP) project. Work is underway to ensure ERP-related risks are fully captured and assessed within the Town's risk management system.

Once assessed, any ERP-related risks with a High or Extreme residual rating will be reported to the ARIC through the standard quarterly reporting process, with the first substantive update anticipated at the August 2026 meeting.

Ongoing activity will also include targeted engagement with risk owners, refinement of risk records where required, and continued alignment between risk reporting, treatment planning, and executive oversight.

In the longer term, the Town will workshop, supported by specialist external expertise, to further refine key information and cyber-related risks. This will involve breaking broader risks into more clearly defined sub-risks to improve clarity, ownership, and overall management across the organisation.

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

This report supports the ARIC's risk management oversight role under section 7.1A of the *Local Government Act 1995* and regulations 16 and 17 of the Local Government (Audit) Regulations 1996. Relevant internal governance documents are:

- Policy 1/022 Risk Management;
- Risk Appetite Statement;
- Risk Management Framework; and
- Risk Management Internal Operating Procedure.

The Town's risk management approach is also informed by AS ISO 31000:2018 Risk management - Guidelines.

Confidentiality of attachments

The report itself is suitable to be considered in an open meeting. However, Attachments 1, 2 and 3 are recommended to be treated as confidential under section 5.23(4)(e) of the Local Government Act 1995 because it contains security-sensitive information, including cyber-security related risk content, the publication of which could prejudice the security of the Town's 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
<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 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 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 - Strategic Risk Register [**12.4.1** - 3 pages]
2. CONFIDENTIAL - Operational Risk Register (High & Extreme Residual) [**12.4.2** - 2 pages]
3. CONFIDENTIAL - Operational Risk Movement Report Q2 to Q3 - High and Extreme Residual [**12.4.3** - 2 pages]

12.5 **Audit Log 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.

OFFICER'S RECOMMENDATION

That the Audit, Risk and Improvement Committee receives and notes the progress update against the management actions contained within the Audit Log, as per Attachment 1.

SIMPLE MAJORITY VOTE REQUIRED

PURPOSE

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

DETAIL

The Audit Log provides a consolidated status update on internal and external audit recommendations, including management actions, responsible officers and target completion dates. Audit log reporting enables the ARIC to monitor the implementation of agreed audit actions and assess whether identified control weaknesses are being effectively addressed.

Receipt of audit log updates supports the ARIC's statutory functions under regulation 16(c) and 16(d) of the Local Government (Audit) Regulations 1996, by facilitating review of audits conducted under Part 7 of the Local Government Act 1995 and oversight of the effectiveness of financial, risk management and legislative compliance systems.

The audit log is reviewed periodically to track progress, identify overdue actions, and highlight any emerging risks requiring management attention or escalation.

Following the March 2026 ARIC meeting, actions verified by Paxon Group as complete have been removed from the active reporting view of the Audit Log by hiding the relevant rows. The underlying entries remain retained in the Master Audit Log to preserve the audit trail.

Paxon's March 2026 review confirmed that 19 actions remained open at the conclusion of its review. The current Quarter 3 position records 41 active actions, reflecting the addition of new findings from subsequent assurance activity, including the 2024/25 Annual Financial Statements audit, 2024/25 IT General Controls audit, and Customer Service, Media and Stakeholder Review.

The Quarter 3 position is summarised below:

Status	Q2 2025-26	Q3 2025-26	Movement
Completed	0	4	+4
In progress	17	30	+13
Not started	2	7	+5
Total active actions	19	41	+22

The increase in active actions does not reflect a decline in performance. It reflects the addition of new audit findings during the quarter. Of the 19 actions carried forward from Quarter 2, 10 have progressed, eight remain unchanged, and one has been reassessed based on its current implementation status.

At the end of Quarter 3, 34 of the 41 active actions are either complete or in progress, representing 83% of the active Audit Log. Seven actions are recorded as not started. This includes actions marked as 0%, as well as blank Quarter 3 progress fields, which have been treated as 0% for reporting.

There are currently 20 overdue actions. These mainly relate to system implementation, records management, WHS system improvements, governance documentation reviews, and new audit actions added since the Paxon review. Management will need to maintain focus on these items to ensure progress continues, and actions are only closed once completion has been appropriately verified.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 Significant Decision Making, this item is considered to be of low significance.

The audit log update is provided as part of routine governance and assurance reporting and does not involve a decision with material financial, operational or strategic impact. The report supports transparency and good governance by enabling oversight of audit outcomes and management actions.

CONSULTATION

Internal

- Action Owners

External Agencies

- Nil.

Community

- Nil.

LEGISLATION AND POLICY CONSIDERATIONS

Local Government (Audit) Regulations 1996 – regulations 16(c) and 16(d)

The report itself is suitable for consideration in an open meeting. However, Attachment 1 (Audit Log) is recommended to be treated as confidential under section 5.23(4)(e) of the Local Government Act 1995. Attachment 1 contains detailed information regarding audit findings, control weaknesses, implementation progress and system-related matters. Public disclosure of this information could reasonably be expected to prejudice the security and integrity of the Town's operations, systems and control environment.

FINANCIAL AND RESOURCE IMPLICATIONS

Nil.

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

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

Access and Inclusion

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

Nil.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Compliance
Cause	Failure to monitor and follow up audit recommendations in a timely manner.
Effect (Consequence)	Reduced assurance, unresolved control weaknesses and increased exposure to compliance or operational risks.
Risk Treatment	Treat

There is an operational risk associated with this item caused by a failure to monitor and follow up audit recommendations in a timely manner, leading to reduced assurance, unresolved control weaknesses and an increased exposure to compliance or operational risks.

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

This risk will be treated through regular reporting of the audit log to the ARIC, ongoing monitoring of implementation progress, and escalation of overdue or higher-risk actions as required.

OPTIONS

Option 1 – Adopt officer’s recommendation

Option 2 – Amend officer’s recommendation

Option 3 – Do not adopt officer’s recommendation

CONCLUSION

The Audit Log is a key governance and assurance tool that enables the ARIC to monitor the implementation of audit recommendations and assess whether identified control gaps are being addressed in a timely and effective manner.

The Quarter 3 update reflects the addition of new audit findings during the reporting period. Most active actions are either complete or progressing.

Receiving this report supports the ARIC in fulfilling its statutory oversight responsibilities and reinforces accountability for the implementation of audit recommendations across the organisation.

ATTACHMENTS

1. CONFIDENTIAL - Q3 Audit Log [**12.5.1** - 4 pages]

12.6	Procurement Report on Panels Usage
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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

- 1. That the Audit, Risk and Improvement Committee note 'NIL' identified non-compliance with Policy 2/022 Panels of Pre-Qualified Suppliers for Quarter 3 Financial Year 2025/2026**
- 2. That the Audit, Risk and Improvement Committee note '7' identified non-compliance with management procedures of Panels of Pre-Qualified Suppliers for Quarter 3 Financial Year 2025/2026**

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 Contracts Awarded (year 1)	No. of Contract Extensions (year 2)	No. of Contract Extensions (year 3)
RFT 2324 - 01	Construction Contractors	6	6	6	6
RFT 2324 - 05	Trade Services	13	13	13	13
RFT 2324 - 20	Construction Professionals	31	31	31	31

RFT 2324 - 22	Civil Construction & Trades Services	15	15	15	June 2027
RFT 2425 - 11	Civil Construction Material	4	4	4	June 2027
RFT 2425 - 11	Graphic Design	7	7	7	January 2028

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.

Or

- c) The Town will develop a ranking system to selection from the panel.

The panels are utilised as below.

Panel Number	Pre-Qualified Panel Name	Distribution of work method
RFT 2324 - 01	Construction Contractors	Option A
RFT 2324 - 05	Trade Services	Option B
RFT 2324 - 20	Construction Professionals	Option B
RFT 2324 - 22	Civil Construction & Trades Services	Option B
RFT 2425 - 11	Civil Construction Material	Option B
RFT 2425 - 11	Graphic Design	Option B

The quotes obtained are authorised in accordance with the Town's Delegation Register. 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.

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.

When engaging panels under 'Option B' the number of quotes required should align with the procurement thresholds in the 02/007 Procurement Policy. The quotes must be attached when raising a requisition for a purchase order to demonstrate the Town's commitment to distributing work evenly amongst panel members and demonstrating value for money.

Minor non-compliances were identified in relation to number of quotes attached to purchase orders, raising purchase orders to match invoices and in one instance no quote was attached to the purchase order where the Procurement Policy would require a written quote.

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be of medium significance, due to likely consequences arising from non-compliance, potential to impact the Town's ability to deliver services, impact the Town's reputation and general interest by the community in the compliance capability of the business operations of the Town of Port Hedland.

CONSULTATION

Internal

- Nil.

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

- Financial Year 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 of the Town's Access and Inclusion Plan 2023-2026 applies 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.
<p>There is an Operational, risk associated with this item caused by failure to implement the right procedure, leading to non-compliance with industry best practice.</p> <p>The risk rating is Medium (6) which is determined by a likelihood of Possible (3) and a consequence of Minor (2).</p> <p>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.</p>	

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 3, being 1 January to 31 March 2025.

ATTACHMENTS

1. CONFIDENTIAL - Q 3 Final Data - One Connect [**12.6.1** - 4 pages]
2. Q 3 Final Data - Vendor Panel [**12.6.2** - 1 page]

12.7	Asset Management Framework Progress Report
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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 and improving its AMF since the last report. The table below provides the status of each Priority Activity Outcomes.

Activity	Status Update
AMPs per class V2, including actual maintenance and renewal work schedules	AMP v2 has been finalized and circulated to SLT for endorsement on 9th April. ELT briefing paper to be prepared seeking endorsement of AMPs.
Capture GPS Coordinates	100% of GIS data for road surface & pavement, bridge, kerb, and 80% of GIS data for carpark is available. The next steps: <ol style="list-style-type: none"> 1. Create road centerline & carpark GIS data – RFQ at this stage. 2. Structure data in the new naming convention for import into TechnologyOne.
GISSA Data Warehouse Implementation	Backend configuration is approximately 80% complete, with automation prioritised to reduce manual data entry and align future updates with revaluation cycles.
Document the framework of AMPs back to the Financial Reporting	Conversation with Finance regarding the relationship between the Financial Report and the AMPs has been documented and sent to Finance for review, before circulating it to other stakeholders for review.

Review NAMA assessment (for 26/27 initiatives)	The NAMA assessment report is still pending receipt, and we have requested expected completion date from the Consultant.
Roles and Responsibilities document v2, include broader asset custodian responsibilities	The document has been updated following consultation workshops and is currently out for review by the stakeholders until 1 May 2026. After which the changes will be reviewed, and approved via the AMF PCG.
Identify the completeness of each asset class asset register and spatial records	<p>Drainage to be revaluated in FY26/27: 70-80% of assets are in Asset Register. It has spatial data but in non-compliant ASPEC format.</p> <p>Footpath to be revaluated in FY26/27: 80-90% of assets are in Asset Register. It has spatial data but in non-compliant A-SPEC format.</p> <p>Open space to be revaluated in FY27/28: 70-80% of asset are in Asset Register. 10-20% of it has spatial data.</p> <p>Building to be revaluated in FY29/30: 80-90% of asset are in Asset Register (in main component). No spatial data.</p>
Update the asset registers and spatial records ready for creating respective asset management plans	<p>Construct data warehouse to store GIS data and populate Asset Register template.</p> <p>Implementing BSPEC to enhance asset management/operational activities for building type. Create GIS building footprint as part of project.</p> <p>Introducing T1 Strategic Asset Management module to forecast maintenance and renewal programs.</p>
Incorporate CCTV component assets into TechOne Asset Register	CCTV assets have been confirmed for inclusion in the Asset Register as equipment/infrastructure assets, with process guidance to enable bulk updates underway.
Marina breakdown of asset attributes and cost, and capitalisation	Marina assets are recorded in the register, with a valuation consultant site visit expected in June and the area being used as a pilot for embedded maintenance schedules.
Asset Movement Report	The Consultant that was engaged and commenced work, stopped responding to our correspondence. The asset movement report is now produced internally and reconciled monthly as a trial, it remains manual and is not yet ready to transition to business-as-usual.
25/26 Revaluation of Road Assets	Inspections for roads, kerbs, car parks, and bridges have been completed, with the Level 1 bridge

	inspection report received and valuation finalisation now progressing.
Incorporate Leisure assets into TechOne Asset Register	Smaller Leisure assets have been recorded in the Portable and Attractive Asset Register. Larger Leisure assets are already included in the Fixed Asset Register.
Implement Enterprise Mapping	Market responses received need to be evaluated to find a consultant to work with us to refine the spatial data in OneConnect and to subsequently enable Enterprise Mapping.
Revise useful lives for all asset classes	Pending approval by the AMF PCG. Following external consultation, current useful life guidelines match the depreciation rates and is reviewed with each revaluation cycle. Recommendation is that we continue with current approach and not start another review when there are other high impact data activities underway and to be started.
Old TAFE site Valuation	The valuation consultant site visit has been confirmed for June.
Automation of Maintenance Schedules in OneConnect	A pilot to set up maintenance schedules in OneConnect is underway at the Marina, with Parks identified as the next area for rollout, recognising that automated maintenance schedules are essential for forecasting and renewal planning despite sitting outside SAM scope.

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

This Report has been rescoped to provide feedback on the AMF PCG endorsed Priority Activity Outcomes.

The Town continues to make steady progress in implementing and improving the AMF. At the time of writing two AMF PCG endorsed priority activity outcomes have been completed since the last ARIC meeting in March 2026.

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

Nil

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
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Reasons for Confidentiality

5.23 (4)(b) information deals with relates to personal affairs of an individual

PROCEDURAL MOTION

That the Audit, Risk and Improvement Committee reopen 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 11 August 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. Document control

Document title	Town of Port Hedland Audit, Risk and Improvement Committee Terms of Reference
Responsible body	Council
Adopted by Council	29 April 2026
Council decision number	
Review cycle	At least once every 2 years, and sooner if there is a relevant legislative amendment

2. Establishment and status

2.1 The Audit, Risk and Improvement Committee (the ARIC) is established by the Town of Port Hedland (the Town) under section 5.8 of the Local Government Act 1995 (the Act) and is the Town's audit, risk and improvement committee for the purposes of section 7.1A of that Act.

2.2 The ARIC is a committee of Council structured as a committee comprising council members and other persons (s.7.1B).

2.3 This Terms of Reference is to be read subject to the Act the Local Government (Audit) Regulations 1996, the Local Government (Administration) Regulations 1996, and any applicable local law. If there is any inconsistency, the legislation prevails.

2.4 The ARIC assists Council in fulfilling its obligations under Part 7 of the Act.

2.5 Management of the Town, including responsibility for internal controls, administration, implementation of Council decisions, risk ownership, compliance activity and operational matters, remains with the Chief Executive Officer and relevant officers.

3. Purpose

3.1 The purpose of the ARIC is to perform the functions conferred on it by regulation 16 of the Local Government (Audit) Regulations 1996 and any other functions determined by Council.

3.2 In carrying out that role, the ARIC provides a structured forum for receiving reports, scrutinising management responses, monitoring implementation of agreed actions and making recommendations to Council.

4. Functions

4.1 The ARIC has the functions conferred on it by regulation 16 of the Local Government (Audit) Regulations 1996, extracted below for convenience:

- (a) receive and review reports on, and recommend to Council actions to be taken in relation to:
 - (i) audits under Part 7 of the Act;

- (ii) compliance audits; and
- (iii) reviews under regulation 17 of the Local Government (Audit) Regulations 1996;
- (b) otherwise receive and review reports on the appropriateness and effectiveness of, and recommend to Council improvements to, the Town's systems and procedures in relation to:
 - (i) financial management;
 - (ii) legislative compliance; and
 - (iii) risk management;
- (c) receive and review reports on, and recommend to Council improvements to, the implementation of any actions that the Town:
 - (i) is required to take under section 7.12A(3) of the Act;
 - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a) of the Act;
 - (iii) has otherwise decided to take in response to a report or recommendation referred to in paragraph (a) or (b); and
 - (iv) has stated it has done or proposes to do in written advice prepared under section 8.6(1)(a) or section 8.23(4)(a) of the Act; and
- (d) perform any other function conferred on the ARIC by the regulations or another written law.

4.2 In addition to its prescribed functions, the ARIC will consider any other governance, assurance or improvement matter referred to it by Council or the CEO including:

- (a) internal audit and other assurance activity reporting;
- (b) strategic and operational risk reporting
- (c) the Forward Improvement Plan (FIP), including progress against improvement initiatives;
- (d) financial management of the Town's asset management systems and processes; and
- (e) integrity and fraud control system and processes effectiveness.

5. Authority and limitations

5.1 The ARIC may consider any matter within its functions that is:

- (a) referred to it by Council;
- (b) referred to it by the CEO; or
- (c) required by legislation to be given to or considered by it.

5.2 For the purpose of carrying out its functions, the ARIC may, through the CEO:

- (a) request reports or further information from relevant officers;
- (b) request attendance of relevant officers, the auditor, or other persons for particular agenda items; and
- (c) request progress reports on implementation of actions relevant to its statutory functions.

5.3 Council may delegate powers and duties to the ARIC only within the limits of section 7.1C of the Act.

6. Composition

6.1 The ARIC is to comprise the following standing members:

- (a) 1 Independent Presiding Member;
- (b) 1 Independent Deputy Presiding Member; and
- (c) 3 Elected Members

7. Deputy Committee Members

7.1 Council must appoint an independent person under section 5.11A of the Act to be the Deputy of the Presiding Member. The Deputy of the Presiding Member is a deputy committee member and will only deputise at meetings in the absence of the substantive Presiding Member.

7.2 Council may appoint under s5.11A of the Act a deputy for any council member appointed as a member of the ARIC. A deputy of a council member must be a council member. A deputy committee member only deputises at meetings in the absence of the substantive committee member.

8. Presiding Member order of precedence

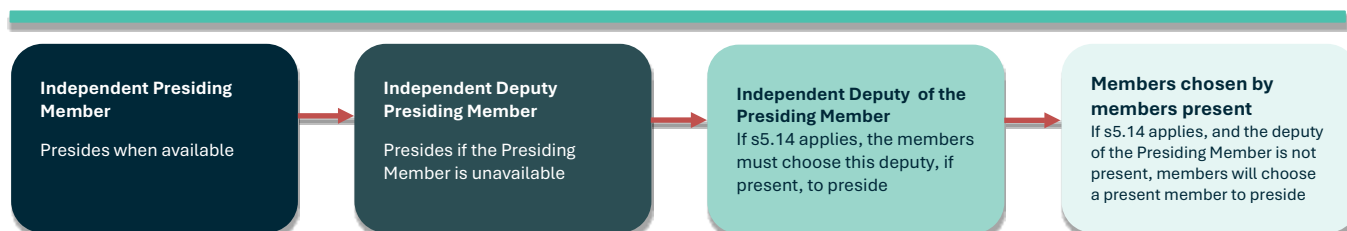
8.1 If the Presiding Member is absent from a meeting or is unwilling or unable to preside at the meeting, the Deputy Presiding Member will preside at that meeting.

8.2 If both the Presiding Member and the Deputy Presiding Member are absent from or unable or unwilling to preside at a meeting and the Deputy of the Presiding Member is in attendance, the Deputy of the Presiding Member will preside at that meeting.

8.3 If section 5.14 of the Act applies to a meeting of the ARIC where:

- the Presiding Member and Deputy Presiding Member are absent, the members present must choose the deputy of the Presiding Member, if present, to preside at the meeting.
- the Presiding Member, Deputy Presiding Member and Deputy of the Presiding Member are absent, the members present must choose one of themselves to preside at the meeting.

Presiding order



9. Tenure, cessation and vacancies

9.1 Subject to the Act, a member appointed to the ARIC holds office until whichever first occurs:

- (a) the term of appointment expires;
- (b) Council removes the member from office or the office otherwise becomes vacant;

(c) the ARIC is disbanded; or

(d) the next ordinary elections day, if the member is an elected member

9.2 Council may terminate the appointment of a deputy at any time by absolute majority.

9.3 If a vacancy arises in the membership of the ARIC or in any deputy position, Council is to fill the vacancy as soon as practicable.

10. Meetings

10.1 The ARIC is to hold ordinary meetings at the dates, times and places determined by Council.

10.2 The ARIC is to meet as often as required to carry out its functions and, unless Council otherwise determines, will ordinarily meet at least 4 times in each calendar year.

10.3 Special meetings of the ARIC may be convened in accordance with the Act, regulations and any applicable local law or lawful procedure.

10.4 The quorum for a meeting of the ARIC is at least 50% of the number of offices of member of the ARIC, whether vacant or not, subject to the Act.

10.5 On the ARIC's adopted five-member standing structure, the ordinary quorum is 3 members.

10.6 A deputy counts for quorum only when lawfully acting in the place of a substantive member.

10.7 Subject to the Act, each member present at a meeting is entitled to one vote.

10.8 If votes are equally divided, the person presiding is to cast a second vote.

10.9 Voting is to be conducted and recorded in accordance with the Act and regulations.

10.10 Members may attend a meeting by electronic means if authorised in accordance with the Local Government (Administration) Regulations 1996.

10.11 A meeting may be held by electronic means only in accordance with the Local Government (Administration) Regulations 1996.

10.12 Where a member attends electronically and part of the meeting is to be closed to members of the public, the member must comply with the confidentiality declaration requirements that apply under the regulations.

10.13 Minutes are to be submitted to the next ordinary meeting of the ARIC for confirmation.

10.14 The person presiding at the meeting at which the minutes are confirmed is to sign the minutes and certify the confirmation.

10.15 The conduct of meetings is otherwise to be in accordance with the Act, the regulations and any applicable local law.

11. Public access, agenda papers and minutes

11.1 Meetings of the ARIC are open to members of the public unless, and only excluded to the extent that the meeting is lawfully closed under section 5.23 of the Act.

11.2 If the ARIC has been delegated a power or duty by Council, time is to be allocated for questions to be raised by members of the public and responded to at meetings of the ARIC in accordance with the Local Government (Administration) Regulations 1996.

11.3 The CEO is to publish on the Town's official website the meeting details for ARIC meetings in accordance with the Local Government (Administration) Regulations 1996.

11.4 The CEO is to publish the unconfirmed minutes of each ARIC meeting on the Town's official website within the time required by law.

11.5 The Town is to make available for public inspection, and publish on its official website, the agenda, reports and other documents for ARIC meetings in accordance with the Local Government (Administration) Regulations 1996, subject to any lawful exception for confidential material.

12. Reporting and workflow

12.1 The ARIC reports to Council and is to make clear recommendations on matters within its functions.

12.2 The CEO is to ensure that reports required by law to be given to the ARIC are given to the ARIC in a timely manner.

12.3 The CEO is to ensure that the results of each review carried out under regulation 17 are reported to the ARIC.

12.4 Management is to provide the ARIC with periodic reports on the implementation of actions relevant to the ARIC's functions.

12.5 Management will provide the ARIC a forward workplan each year.

13. Conduct, interests and confidentiality

13.1 Members and acting deputies must comply with all applicable provisions of the Act relating to:

- (a) disclosure of interests;
- (b) participation in decision-making;
- (c) gifts, if applicable; and
- (d) conduct at meetings.

13.2 Members and acting deputies must comply with any applicable code of conduct, policy or lawful direction of the Town relevant to ARIC membership and meeting conduct.

13.3 Information obtained by a member through the ARIC is to be used only for proper ARIC purposes and handled in accordance with any confidentiality obligation arising under the Act, another written law, legal professional privilege, lawful Council decision or other applicable legal requirement.

13.4 A member who is unable to attend a meeting is to notify the CEO and relevant officer(s) as soon as practicable so that any relevant deputy may be contacted if appropriate.

14. Administrative support

14.1 The CEO is responsible for ensuring that the ARIC is provided with appropriate administrative support.

14.2 Administrative support is to include:

- (a) meeting scheduling;
- (b) agenda preparation and circulation;
- (c) records management;
- (d) minutes;
- (e) action tracking;
- (f) publication of meeting details, agenda papers and minutes as required by law; and
- (g) coordination of reports to and from Council.

14.3 The ARIC may request the attendance of relevant officers, the external auditor or other advisers for particular items where that will assist the ARIC in carrying out its functions.

15. Review

15.1 This Terms of Reference is to be reviewed:

- (a) at least once every 2 years;
- (b) whenever there is a relevant legislative amendment;
- (c) whenever Council changes the ARIC's structure, membership or delegated authority; or
- (d) whenever Council otherwise considers review appropriate.

15.2 Any amendment to this Terms of Reference must be made by Council.