



**Unconfirmed MINUTES**  
**Audit, Risk and Improvement  
Committee Meeting**  
**Tuesday, 12 May 2026**


**Date: Tuesday, 12 May 2026**

**Time: 5:30pm**

**Location: 13 McGregor Street, PORT HEDLAND  
WA 6721**

**Distribution Date: 19/05/2026**

The Chief Executive Officer recommends the endorsement of these minutes at the next Audit, Risk and Improvement Committee Meeting.

Signed:  Date: 19.05.2026

These minutes were confirmed at the Audit, Risk and Improvement Committee Meeting held on ...../...../.....

Signed: \_\_\_\_\_ Date: \_\_\_\_\_

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## **1 Opening of Meeting**

The Presiding Member declared the meeting open at 5:34pm.

## **2 Acknowledgement of Traditional Owners and Dignitaries**

The Presiding Member acknowledged the Kariyarra people as the Traditional Custodians of the land that we are meeting on and recognised their strength and resilience and paid 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**

#### **Members:**

Alan Lamb (Presiding Member)

Sonia McKeiver (Deputy Presiding Member)

Mayor Jacinta Behrend

Councillor Russell McDowall

Councillor Sharon Todd

#### **Administration:**

Dale Stewart (Chief Executive Officer)

Florian Goessmann (Acting Director Corporate Services)

Renae Doyle (Manager Governance)

Kaleena Cruickshank (Manager Financial Services)

Rhiannon Smith (Acting Senior Governance Advisor)

#### **Other:**

Andrew Hammond (Local Government Monitor)

Member of the Public: 1

Media: 0

### **3.2 Attendance by Telephone / Instantaneous Communications**

Councillor Russell McDowall

Andrew Hammond

### **3.3 Apologies**

Nil

### **3.4 Approved Leave of Absence**

Nil

### **3.5 Disclosures Of Interest**

Nil

## **4 Applications for Leave of Absence**

Nil

## **5 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**

**The Presiding Member declared Public Question Time open at 5:39pm.**

7.1.1	Ash Christensen
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#### Question 1:

Each audit action originates from a separate audit and is allocated an individual risk rating. Once these actions are consolidated in the audit log, what process (if any) is used to reassess priorities against other risks and identified resource constraints?

#### Response from the Chief Executive Officer:

The question is taken on notice to enable a more informed response.

#### Question 2:

The audit log report identifies 20 overdue actions and a total of 41 active actions, with additional actions continuing to be added. Can the administration outline the prioritisation framework being used to reduce the number of overdue actions?

#### Response from the Chief Executive Officer:

The question is taken on notice to enable a more informed response.

#### Question 3:

Given the current workload across the organisation, including the 2026–27 Budget (incorporating the Long-Term Financial Plan), the Strategic Review, and other priorities, what work has been de-prioritised or deferred to ensure that audit risks are

being appropriately addressed?

Response from the Chief Executive Officer:

There will be little to no de-prioritisation of work. Elected members recently participated in a briefing session (as recently as last night) that considered the draft budget, including the allocation of additional resources. This is intended to ensure that work is not de-prioritised and that key priorities are supported through the provision of additional resources, as requested as part of the budget considerations.

**The Presiding Member declared Public Question Time closed at 5:41pm.**

## **7.2 Public Statement Time**

**The Presiding Member declared Public Statement Time open at 5:42pm.**

Nil

**The Presiding Member declared Public Statement Time closed at 5:43pm**

## **7.3 Petitions / Deputations / Presentations / Submissions**

Nil

## **8 Questions from Members without Notice**

Nil

## **9 Announcements by Presiding Member without Discussion**

Nil

## **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 declared that they had given due consideration to all matters contained in the agenda.

**11 Confirmation of Minutes of Previous Meeting****ARC202526/038 COMMITTEE DECISION****MOVED: Deputy Presiding Member  
Sonia McKeiver****SECONDED: Cr Sharon Todd****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.*****CARRIED BY SIMPLE MAJORITY (5/0)****For: Cr Russell McDowall, Cr Sharon Todd, Deputy Presiding Member Sonia McKeiver, Mayor Jacinta Behrend and Presiding Member Alan Lamb**Against: Nil**Disclaimer**Members of the public are cautioned against taking any action on Committee decisions, on items on this evening's Agenda in which they may have an interest, until formal notification in writing by the Town has been received. Decisions made at this meeting can be revoked, pursuant to the Local Government Act 1995.*

**12 Reports of Officers**

<b>12.1</b>	<b>Annual Work Plan Review</b>
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**Author:** Senior Audit, Risk & Insurance Advisor

**Authorising Officer:** Manager Governance

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

**ARC202526/039 COMMITTEE DECISION**

**MOVED:** Deputy Presiding Member  
Sonia McKeiver

**SECONDED:** Mayor Jacinta Behrend

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

***CARRIED BY SIMPLE MAJORITY (5/0)***

*For: Cr Russell McDowall, Cr Sharon Todd, Deputy Presiding Member Sonia McKeiver, Mayor Jacinta Behrend and Presiding Member Alan Lamb*

*Against: Nil*

**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
<p>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.</p>	
<p>The risk rating is considered to be Medium (6), based on a likelihood of Unlikely (2) and a consequence of Moderate (3).</p>	
<p>This risk will be treated through endorsement and implementation of the revised work plan.</p>	

### 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]

<b>12.2</b>	<b>Integrity Maturity Self-Assessment</b>
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**Author:** Senior Audit, Risk & Insurance Advisor

**Authorising Officer:** Manager Governance

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

**ARC202526/040 COMMITTEE DECISION**

**MOVED:** Deputy Presiding Member  
Sonia McKeiver

**SECONDED:** Mayor Jacinta Behrend

**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.**

***CARRIED BY SIMPLE MAJORITY (5/0)***

*For: Cr Russell McDowall, Cr Sharon Todd, Deputy Presiding Member Sonia McKeiver, Mayor Jacinta Behrend and Presiding Member Alan Lamb*

*Against: Nil*

## **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).

## **DETAIL**

### Background 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:

<b>Element</b>	<b>Assessed Maturity</b>
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

Element	Assessed Maturity
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**

<b>Risk Type</b>	Strategic
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<b>Risk Category</b>	Compliance
<b>Cause</b>	<ul style="list-style-type: none"> <li>Improvement opportunities identified through the assessment are not agreed by management; and</li> <li>Integrity training, communication, and monitoring arrangements remain inconsistent across the organisation.</li> </ul>
<b>Effect (Consequence)</b>	<ul style="list-style-type: none"> <li>Breaches of the Local Government Act 1995, Public Interest Disclosure Act 2003, Corruption, Crime and Misconduct Act 2003, internal policies or other regulatory obligations</li> <li>Repeat audit findings, adverse assurance outcomes or regulatory scrutiny; and</li> <li>Increased exposure to fraud and misconduct due to gaps in prevention, detection, and response arrangements.</li> </ul>
<b>Risk Treatment</b>	Treat
<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"> <li>finalising management consultation on the maturity assessment findings and formally agreeing to prioritise certain actions, owners and timeframes; and</li> <li>developing and implementing the Integrity Framework.</li> </ul>	

**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.

**ARC202526/041 COMMITTEE DECISION**

**MOVED: Deputy Presiding Member  
Sonia McKeiver**

**SECONDED: Mayor Jacinta Behrend**

**That the Audit, Risk & Improvement Committee recommend that Council adopt the reviewed Risk Appetite Statement, as per Attachment 1.**

***CARRIED BY SIMPLE MAJORITY (5/0)***

*For: Cr Russell McDowall, Cr Sharon Todd, Deputy Presiding Member Sonia McKeiver, Mayor Jacinta Behrend and Presiding Member Alan Lamb*

*Against: Nil*

**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

<b>Risk Type</b>	Operational
<b>Risk Category</b>	Compliance
<b>Cause</b>	Inadequate communication and implementation support for the revised appetite/tolerances
<b>Effect</b>	Inconsistent application of tolerances, confusion regarding "Low" vs former "Zero" terminology, and reduced effectiveness of escalation and reporting triggers.
<b>Risk Treatment</b>	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 REDACTED - Draft 2026 Risk Appetite Statement [**12.3.1** - 15 pages]
2. CONFIDENTIAL REDACTED - 2022 Town of Port Hedland Risk Appetite Statement [**12.3.2** - 10 pages]
3. CONFIDENTIAL REDACTED - 20251230 Risk Appetite Statement ELT Briefing Note [**12.3.3** - 8 pages]

**12.4****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.

**ARC202526/042 COMMITTEE DECISION**

**MOVED: Deputy Presiding Member  
Sonia McKeiver**

**SECONDED: Mayor Jacinta Behrend**

**That the Audit, Risk and Improvement Committee receives the Quarterly Risk Management Update.**

***CARRIED BY SIMPLE MAJORITY (5/0)***

*For: Cr Russell McDowall, Cr Sharon Todd, Deputy Presiding Member Sonia McKeiver, Mayor Jacinta Behrend and Presiding Member Alan Lamb*

*Against: Nil*

**PURPOSE**

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

Given the short period between the March 2026 and May 2026 ARIC meetings, this update is intentionally concise. It also serves to provide newly appointed Committee members with a high-level overview of the Town's risk management framework, current risk profile, and emerging areas of focus.

**DETAIL**

The Town operates in a complex environment characterised by remoteness, workforce and contractor market constraints, major project delivery pressures, exposure to natural hazards, legislative obligations, and heightened community and stakeholder expectations. Within that context, risk management is a core management and governance process used to support informed decision-making, prioritisation of treatment activity, and oversight of matters that may affect delivery of the Town's objectives.

## Risk Management Framework & Systems

The Town has established a structured risk management framework supported by Policy 1/022 Risk Management, the Risk Appetite Statement, the Risk Management Framework, the Risk Management Internal Operating Procedure and the Town's central risk management system. Together, these documents and systems support a consistent approach to identifying, assessing, monitoring, treating and reporting risk across the organisation.

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.

<b>Residual Risk Rating</b>	<b>Previous Quarter</b>	<b>This Quarter</b>
High	5	4
Extreme	1	4
<b>Total</b>	<b>6</b>	<b>8</b>

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**

<b>Risk Type</b>	Operational
<b>Risk Category</b>	Compliance
<b>Cause</b>	Inconsistent application of risk management procedures across departments
<b>Effect</b>	Potential non-compliance with internal policies and inaccurate reporting
<b>Risk Treatment</b>	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>	

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 REDACTED - Strategic Risk Register [**12.4.1** - 3 pages]
2. CONFIDENTIAL REDACTED - Operational Risk Register (High & Extreme Residual) [**12.4.2** - 2 pages]
3. CONFIDENTIAL REDACTED - Operational Risk Movement Report Q2 to Q3 - High and Extreme Residual [**12.4.3** - 2 pages]

<b>12.5</b>	<b>Audit Log Review</b>
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**Author:** Senior Audit, Risk & Insurance Advisor

**Authorising Officer:** Manager Governance

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

**ARC202526/043 COMMITTEE DECISION**

**MOVED:** Mayor Jacinta Behrend

**SECONDED:** Deputy Presiding Member  
Sonia McKeiver

**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.**

***CARRIED BY SIMPLE MAJORITY (5/0)***

*For: Cr Russell McDowall, Cr Sharon Todd, Deputy Presiding Member Sonia McKeiver, Mayor Jacinta Behrend and Presiding Member Alan Lamb*

*Against: Nil*

**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:

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

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 40 active actions are either complete or in progress, representing 85% 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**

<b>Risk Type</b>	Operational
<b>Risk Category</b>	Compliance
<b>Cause</b>	Failure to monitor and follow up audit recommendations in a timely manner.

<b>Effect (Consequence)</b>	Reduced assurance, unresolved control weaknesses and increased exposure to compliance or operational risks.
<b>Risk Treatment</b>	Treat
<p>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.</p> <p>The risk rating is considered to be Medium (9), determined by a likelihood of Possible (3) and a consequence of Moderate (3).</p> <p>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.</p>	

### 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 REDACTED - Q3 Audit Log [**12.5.1** - 5 pages]

<b>12.6</b>	<b>Procurement Report on Panels Usage</b>
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***The Acting Director Corporate Services advised that there was an amendment to this report in the Disclosure Interest panel due to an administrative error.***

**Author:** Senior Procurement & Contracting Advisor  
**Authorising Officer:** Director Corporate Services  
**Disclosure of Interest:** The Author declared that they have a financial interest in relation to this item.  
 The Authorising Officer declared they do not have any conflict of interests in relation to this item.

**ARC202526/044 COMMITTEE DECISION**

**MOVED:** Deputy Presiding Member  
 Sonia McKeiver

**SECONDED:** Mayor Jacinta Behrend

- 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**

***CARRIED BY SIMPLE MAJORITY (5/0)***

*For: Cr Russell McDowall, Cr Sharon Todd, Deputy Presiding Member Sonia McKeiver, Mayor Jacinta Behrend and Presiding Member Alan Lamb*

*Against: Nil*

**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.

<b>Panel Number</b>	<b>Pre-Qualified Panel Name</b>	<b>Total Active Contracts</b>	<b>No. of Contracts Awarded (year 1)</b>	<b>No. of Contract Extensions (year 2)</b>	<b>No. of Contract Extensions (year 3)</b>
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.

<b>Panel Number</b>	<b>Pre-Qualified Panel Name</b>	<b>Distribution of work method</b>
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

<b>Risk Type</b>	Operational
<b>Risk Category</b>	Financial
<b>Cause</b>	Failure to implement the right procedure.
<b>Effect</b>	Non-compliance with industry best practice.
<b>Risk Treatment</b>	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 REDACTED - Q 3 Final Data - One Connect [**12.6.1** - 4 pages]
2. Q 3 Final Data - Vendor Panel [**12.6.2** - 1 page]

<b>12.7</b>	<b>Asset Management Framework Progress Report</b>
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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.

**ARC202526/045 COMMITTEE DECISION**

**MOVED:** Mayor Jacinta Behrend                      **SECONDED:** Deputy Presiding Member Sonia McKeiver

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

***CARRIED BY SIMPLE MAJORITY (5/0)***

*For: Cr Russell McDowall, Cr Sharon Todd, Deputy Presiding Member Sonia McKeiver, Mayor Jacinta Behrend and Presiding Member Alan Lamb*  
*Against: Nil*

**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.

<b>Activity</b>	<b>Status Update</b>
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: 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 NAMAFA assessment (for 26/27 initiatives)	The NAMAFA 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**

<b>Risk Type</b>	Operational
<b>Risk Category</b>	Health & Safety Financial Service Interruption

	Compliance Reputational
<b>Cause</b>	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.
<b>Effect (Consequence)</b>	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.
<b>Risk Treatment</b>	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)**

**ARC202526/046 COMMITTEE DECISION**

**MOVED:** Mayor Jacinta Behrend

**SECONDED:** Deputy Presiding Member  
Sonia McKeiver

**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 Town Debtors.**

***CARRIED BY SIMPLE MAJORITY (5/0)***

*For: Cr Russell McDowall, Cr Sharon Todd, Deputy Presiding Member Sonia McKeiver, Mayor Jacinta Behrend and Presiding Member Alan Lamb*

*Against: Nil*

**The Presiding Member declared the meeting closed to the public at 6:06pm.**

**The public left the meeting, and the Committee Members, the Administration and the Local Government Monitor remained in attendance.**

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

**ARC202526/047 COMMITTEE DECISION****MOVED: Mayor Jacinta Behrend****SECONDED: Deputy Presiding Member  
Sonia McKeiver****That the Audit, Risk & Improvement Committee:**

- 1. Receives the report on Town Debt;**
- 2. Endorses the recovery actions as described; and**
- 3. Recommends Council write off \$16,609.43 in Miscellaneous debtors.**

***CARRIED BY SIMPLE MAJORITY (5/0)***

*For: Cr Russell McDowall, Cr Sharon Todd, Deputy Presiding Member Sonia McKeiver, Mayor Jacinta Behrend and Presiding Member Alan Lamb*

*Against: Nil*

**ARC202526/048 COMMITTEE DECISION****MOVED: Deputy Presiding Member  
Sonia McKeiver****SECONDED: Mayor Jacinta Behrend****That the Audit, Risk and Improvement Committee reopen the meeting to members of the public.*****CARRIED BY SIMPLE MAJORITY (5/0)***

*For: Cr Russell McDowall, Cr Sharon Todd, Deputy Presiding Member Sonia McKeiver, Mayor Jacinta Behrend and Presiding Member Alan Lamb*

*Against: Nil*

**The Presiding Member declared the meeting open to the public at 6:17pm.**

**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 at 6:17pm.