MINUTES

Audit, Risk and Improvement Committee Meeting

Tuesday 11 August 2026

Date: **Tuesday 11 August 2026**
Time: **2:00pm**
Location: **13 McGregor Street,**
PORT HEDLAND WA 6721
Distribution Date: **18/08/2026**

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

Signed: ______________________ Date: 18.08.2026

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

Signed: ______________________ Date: ______________________

(Presiding Person at the meeting which minutes were confirmed)

Order of Business

1 Opening of Meeting

The Presiding Member declared the meeting open at 2:00pm.

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

Committee Members:

Alan Lamb (Independent Presiding Member)

Sonia McKeiver (Independent Deputy Presiding Member)

Mayor Jacinta Behrend

Councillor Russell McDowall

Councillor Sharon Todd

Administration:

Ingrid Bishop (Director Corporate Services)

Florian Goessmann (Manager Digital Services)

Renae Doyle (Manager Governance)

Stephanie Sikaloski (Senior Audit, Risk & Insurance Advisor)

Dulanjaya Ranasinghe (Audit, Risk & Insurance Officer)

Kaleena Cruickshank (Manager Financial Services)

Denise Mackay (Manager Special Projects)

Other:

Andrew Hammond (Local Government Monitor)

Members of the Public:

Zero

3.2 Attendance by Telephone / Instantaneous Communications

Denise Mackay (Manager Special Projects)

Andrew Hammond (Local Government Monitor)

3.3 Apologies

Dale Stewart (Chief Executive Officer)

3.4 Approved Leave of Absence

Nil

3.5 Disclosures Of Interest

Nil

4 Applications for Leave of Absence

Nil

5 Response to Previous Questions

5.1 Response to Questions taken on notice from Elected Member at the Audit, Risk and Improvement Committee Meeting held on 12 May 2026

Nil

5.2 Response to Questions taken on notice from Public at the Audit, Risk and Improvement Committee Meeting held on 12 May 2026

5.2.1	Ash Christensen

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?

The Acting Director Corporate Services provided the following response:

Each audit action is assigned a risk rating as part of the audit in which it is identified. Following inclusion in the audit log, actions are reviewed at least quarterly by the responsible and accountable officer.

Reporting of the audit log has recently commenced through the Executive Leadership Team, providing additional oversight to identify and address resource constraints and support organisation-wide escalation and prioritisation.

Where resource constraints affect delivery timeframes, the impacts and proposed responses are reported to the ARIC through the Audit Log update. Appropriate measures are implemented where practicable, including, in one instance recently, repurposing a vacant position to address an identified resourcing constraint.

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?

The Acting Director Corporate Services provided the following response:

Reporting of the audit log has recently commenced through the Executive Leadership Team, providing additional oversight to identify and address resource constraints and support organisation-wide escalation and prioritisation.

6 Public Time

Important note:

In accordance with section 6.7(3) of the Town of Port Hedland Local Law on Standing Orders, members of the public are required to complete a question form and place the completed form in the tray provided.

If the Presiding Member determines that questions and statements are out of order due to the use of an offensive or objectionable expression or are defamatory, they will not be recorded or responded to.

6.1 Public Question Time

The Presiding Member declared Public Question Time open at 2:08pm.

Nil

The Presiding Member declared Public Question Time closed at 2:09pm.

6.2 Public Statement Time

The Presiding Member declared Public Statement Time open at 2:10pm

Nil

The Presiding Member declared Public Statement Time closed at 2:10pm.

6.3 Petitions / Deputations / Presentations / Submissions

Nil

7 Questions from Members without Notice

Nil

8 Announcements by Presiding Member without Discussion

Nil

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

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

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

10 Confirmation of Minutes of Previous Meeting

ARIC202627/1 COMMITTEE DECISION

MOVED: Mayor Behrend **SECONDED: Cr McDowall**

That Committee Members confirm that the Minutes of the Audit, Risk and Improvement Committee Meeting held on 12 May 2026 are a true and correct record.

CARRIED BY SIMPLE MAJORITY (5/0)

For: Cr McDowall, Cr Todd, Deputy Presiding Member McKeiver, Mayor Behrend and Presiding Member 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.*

11 Reports of Officers

11.1	Annual Work Plan Review

Author:	**Audit, Risk and Insurance Officer**
Authorising Officer:	**Acting 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, with respect to the 2026 Annual Work Plan, endorses the outcomes of the review as detailed in Attachment 1.

SIMPLE MAJORITY VOTE REQUIRED

ARIC202627/2 COMMITTEE DECISION

MOVED: Cr McDowall **SECONDED: Mayor Behrend**

That the Audit, Risk and Improvement Committee, with respect to the 2026 Annual Work Plan:

1. Endorses the outcomes of the review detailed in Attachment 1; and

2. Requests that the Business Continuity Plan remain on the 2026 Annual Work Plan in addition to the ICT Disaster Recovery Plan and Incident Response Plan.

CARRIED BY SIMPLE MAJORITY (5/0)

For: Cr McDowall, Cr Todd, Deputy Presiding Member McKeiver, Mayor Behrend and Presiding Member Lamb
Against: Nil

PURPOSE

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

DETAIL

The Work Plan was originally endorsed in November 2025. Following the re-establishment of the ARIC under the revised legislation and the appointment of newly elected and independent members in April 2026, the Work Plan was reviewed at the ARIC meeting held on 12 May 2026, being its most recent review.

The Work Plan serves as a strategic roadmap, enabling the ARIC to effectively fulfil its functions, roles, and responsibilities throughout 2026 while ensuring the timely delivery of relevant reporting, assurance activities, and oversight.

As part of the current review, several amendments are proposed to ensure the Work Plan remains aligned with organisational priorities and statutory reporting requirements.

Meeting Date Change - 24 November 2026 to 8 December 2026

Council resolved at its Ordinary Council Meeting held on 29 July 2026 to reschedule the meeting originally scheduled for 24 November 2026 to 8 December 2026.

Historically, the audited annual financial statements have not always been available in sufficient time for consideration at the November ARIC meeting, resulting in the need to convene a special ARIC meeting in December. The revised meeting date aligns more closely with the annual audit timetable and is expected to reduce the likelihood of additional meetings, thereby improving efficiency and reducing administrative costs.

August Report Deferred - Business Continuity Plan Review

The Business Continuity Plan (BCP) review, previously deferred from May 2026 to August 2026, will not proceed at this stage.

The Manager Environmental Services has advised that there have been no significant changes to the Town of Port Hedland's (the Town) critical service arrangements since the previous reporting period. In addition, the consultancy engagement supporting the development of the BCP, together with associated training and testing activities, has concluded.

The Environmental Services business unit is currently considering whether to re-engage the consultant, undertake a new procurement process, or complete the remaining work internally. Pending a decision on the preferred delivery approach, further review of the BCP has been placed on hold. As business continuity planning is not an explicit requirement of the ARIC's Terms of Reference, it is proposed that this item be removed from the 2026 Annual Work Plan at this time.

In the interim, management will continue to monitor critical services and undertake testing of recovery processes where appropriate.

August Report Deferred - Internal Audit Plan - Financial Year (FY) 2026/27 to FY2028/29

Work is progressing to determine the most appropriate approach for the delivery of the Town's internal audit function. This includes consideration of whether external audit services should be procured through a Schedule of Rates Contract or whether some or all internal audit activities may be undertaken in-house.

Supporting documentation has been prepared in accordance with procurement requirements under the Western Australian Local Government Association (WALGA) Preferred Supplier Program and is currently under consideration by the Chief Executive Officer (CEO). The outcome of this assessment will inform the future delivery model and associated internal audit planning arrangements.

August Report Change - Integrity Framework Update

The Town's Integrity Maturity Self-Assessment has been completed, and the Integrity Framework has been adopted by the Executive Leadership Team (ELT) as an operational document. An overarching Integrity Policy has also been developed and will be progressed through the Town's Policy Review Program for consideration by the ARIC at its December 2026 meeting and Council thereafter. The policy will provide strategic direction and governance oversight in support of the Integrity Framework.

August Report Added - Compliance Audit Return

The Annual Compliance Audit Return (CAR) has been completed for the period 1 January 2025 to 31 December 2025 and, following ARIC recommendation to Council and subsequent Council adoption, the CAR will be submitted to the Local Government Inspectorate by the due date it has set for 2026, being 30 September 2026.

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 Annual Work Plan remains aligned with the revised Terms of Reference, legislative requirements, and organisational priorities.

CONSULTATION

Internal

- Executive Leadership Team

External Agencies

Nil

Community

Nil

LEGISLATION AND POLICY CONSIDERATIONS

Local Government Act 1995

Part 7

Local Government (Audit) Regulations 1996

Regulation 11-16

Audit, Risk & Improvement Committee Terms of Reference, adopted on 29 April 2026

FINANCIAL AND RESOURCE IMPLICATIONS

There are no direct financial or resource implications arising from the recommendations contained in this report.

Future financial and resource implications may arise from decisions regarding the delivery of the Town's internal audit function. While an in-house delivery model may reduce external service costs, it may also increase resource implications. Any increase in resourcing is expected to be partially offset by the significant coordination and audit support activities already undertaken by the Audit, Risk and Insurance business unit.

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

Environmental

There are no significant identifiable environmental implications related to this item.

Economic

There are no significant identifiable economic implications related to this item.

Social

There are no significant identifiable social implications related to this item.

Access and Inclusion

The Town's *Access and Inclusion Plan 2023-2026* has been considered, with no access and inclusion implications identified.

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 Audit, Risk & Improvement Committee 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 as reviewed in Attachment 1 provides a clear framework for the ARIC's activities for the remainder of the year. The proposed updates ensure the Work Plan remains practical, relevant and aligned with the ARIC's priorities, including the timing of key reports and oversight activities.

Endorsing the Work Plan as reviewed will support a structured and proactive approach to the ARIC's work, providing members with clear visibility of upcoming matters and helping ensure sufficient focus is given to key audit, risk, governance and improvement initiatives throughout 2026.

ATTACHMENTS

1. 20260728 DRAFT Revised ARIC Work Plan [**11.1.1** - 1 page]

11.2	2025 Compliance Audit Return

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

Authorising Officer: **Acting 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. The Author discloses involvement in two matters assessed as compliant within the Compliance Audit Return during the audit period. This disclosure is made in the interests of transparency.

ARIC202627/3 OFFICER'S RECOMMENDATION & COMMITTEE RECOMMENDATION

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

That the Audit, Risk and Improvement Committee with respect to the 2025 Compliance Audit Return (the CAR):

1. **Reviews the CAR in Attachment 1 in accordance with regulation 14(3)(a) of the *Local Government (Audit) Regulations 1996 (*the Regulations*)*;**
2. **Receives and endorses the Audit Report in Attachment 2, including the findings, recommendations and agreed remediation actions.**
3. **Recommends that Council:**
   a. **Considers the CAR, the results of ARIC's review and ARIC's recommendations in accordance with regulation 14(5) of the Regulations;**
   b. **Determines that the matters identified require the actions detailed in the Audit Report in Attachment 2, in accordance with regulation 14(6)(a) of the Regulations;**
   c. **Adopts the CAR in Attachment 1 in accordance with regulation 14(6)(b) of the Regulations;**
   d. **Adopts the Audit Report in Attachment 2, including the findings, recommendations and agreed remediation actions;**
   e. **Requests the Chief Executive Officer (CEO) to implement the agreed remediation actions and report progress to ARIC until all actions are completed; and**
   f. **Authorises the Mayor and CEO to sign the adopted CAR and requests the CEO to provide the Local Government Inspector with the information required under regulation 15(1) of the Regulations by the due date of 30 September 2026.**

CARRIED BY SIMPLE MAJORITY (5/0)

For: Cr McDowall, Cr Todd, Deputy Presiding Member McKeiver, Mayor Behrend and Presiding Member Lamb
Against: Nil

PURPOSE

The purpose of this report is to present the Audit, Risk and Improvement Committee (the ARIC) with the Town of Port Hedland's (the Town) 2025 Compliance Audit Return (the CAR) for statutory review, reporting to Council and recommending adoption and corrective action.

DETAIL

Each local government must carry out an annual compliance audit for the period 1 January to 31 December against the statutory requirements prescribed by regulation 13 of the *Local Government (Audit) Regulations 1996.* The CAR is the formal record of that assessment and is provided in Attachment 1.

The CAR is subject to transitional arrangements introduced with the Local Government Inspector and the expanded role of ARIC's from 1 January 2026. The CEO must prepare the CAR and provide it to the ARIC to allow the ARIC to review the CAR, report the results to Council and make any recommendations it considers appropriate. Council must then consider the CAR and the ARIC's review before adopting the CAR or adopting it subject to amendments.

Following Council adoption, the CAR must be signed by the Mayor and CEO and submitted to the Local Government Inspector together with ARIC recommendations, the relevant Council minutes and any explanatory or qualifying information. The due date for the CAR this year is 30 September 2026.

Assessment Approach

The CAR contains 119 questions across the *Local Government Act 1995* and associated regulations. Responses were allocated to responsible business units and assessed against documentary evidence, system records, Council and committee records, registers, policies, procedures and sample transactions where relevant. Where the available evidence did not substantiate compliance; the response was assessed conservatively.

Of the 119 items, 105 required a Yes, No or Not Applicable response. 14 are cross-references to requirements assessed elsewhere and are marked 'No Response Required'. These items are not included in the applicable compliance rate.

Results

75 requirements were applicable during the audit period. 59 were assessed as compliant and 16 as non-compliant, producing an applicable compliance rate of 78.67%.

30 items were assessed as not applicable because the relevant activity or circumstance did not occur noting a not applicable response is not a compliance failure.

Response	Number	Share of all items	Share of applicable requirements
Yes - compliant	59	49.58%	78.67%
No – non-compliant	16	13.45%	21.33%
Not applicable	30	25.21%	0%
No response required	14	11.76%	0%
Total	119	100.00%	100.00%

LEVEL OF SIGNIFICANCE

In accordance with Policy 4/009 Significant Decision Making, this matter is considered to be of medium significance. The CAR is a statutory accountability process, and the identified findings may affect legislative compliance, governance, financial management, and community confidence.

CONSULTATION

Internal

- Executive Leadership Team
- Governance Business Unit
- Financial Services Business Unit
- Infrastructure Projects & Assets Business Unit
- Infrastructure Operations Business Unit
- Planning & Economic Development Business Unit
- Human Resources Business Unit
- Strategy & Communications Business Unit

External

- Local Government Inspectorate
- Western Australian Local Government Association (WALGA)

Community

Nil

LEGISLATION AND POLICY CONSIDERATIONS

Local Government Act 1995

Part 7

Local Government (Audit) Regulations

Regulations 11-16 and 20

FINANCIAL AND RESOURCE IMPLICATIONS

There are no direct financial impacts associated with this matter, as the CAR was completed internally. However, implementing corrective actions may require employee time and resources, system enhancements, training, or specialist advice.

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

Environmental

There are no significant identifiable environmental implications related to this item.

Economic

There are no significant identifiable economic implications related to this item.

Social

There are no significant identifiable social implications related to this item.

Access and Inclusion

The Town's *Access and Inclusion Plan 2023-2026* has been considered, with no access and inclusion implications identified.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Compliance Reputational
Cause	Identified compliance gaps and improvement actions are not appropriately assigned, monitored, and verified to completion.
Effect (Consequence)	Legislative obligations are not met, control weaknesses remain unresolved, governance effectiveness is reduced, and the Town is exposed to regulatory, financial and reputational secondary risks.
Risk Treatment	Treat
There is an operational risk that identified compliance gaps and improvement actions are not appropriately assigned, monitored, and verified to completion, leading to non-compliance with legislative obligations, unresolved control weaknesses, reduced governance effectiveness, and exposure to regulatory, financial, and reputational secondary impacts. 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 the implementation of measures to ensure compliance actions are clearly assigned, monitored, and verified to completion.	

OPTIONS

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

CONCLUSION

The CAR provides a transparent assessment of the Town’s performance against the prescribed statutory requirements. The updated results record 59 compliant responses, 16 non-compliant responses, 30 items assessed as not applicable, and 14 cross-referenced items for which no separate response was required.

The findings are concentrated in governance administration, human resources, and procurement. The proposed approach of reporting actions and their progress back through the ARIC will provide clear accountability for remediation and enable the ARIC to oversee whether identified control weaknesses are addressed, and repeat non-compliance is prevented.

ATTACHMENTS

1. 2025 Compliance Audit Return [**11.2.1** - 27 pages]
2. Audit Report - 2025 Compliance Audit Return [**11.2.2** - 23 pages]

11.3	2025/2026 Quarter 4 Procurement Report on Pre-Qualified Supplier Panels

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

ARIC202627/4 COMMITTEE DECISION

MOVED: Presiding Member Lamb **SECONDED: Deputy Presiding Member McKeiver**

That the Audit, Risk and Improvement Committee, in respect of Policy 2/022 Panels of Pre-Qualified Suppliers for Quarter 4 of the 2025/2026 Financial Year:

1. **Receives Attachments 1–6 relating to Panel Usage.**
2. **Notes that no instances of non-compliance with Policy 2/022 were identified.**
3. **Notes that eight instances of non-compliance with the Internal Operating Procedures were identified.**
4. **Notes that the Chief Executive Officer did not exercise any authorisation under Policy 2/022.**

CARRIED BY SIMPLE MAJORITY (5/0)

For: *Cr McDowall, Cr Todd, Deputy Presiding Member McKeiver, Mayor Behrend and Presiding Member Lamb*
Against: Nil

PURPOSE

To report to the Audit, Risk and Improvement Committee on compliance with Policy 2/022 Panels of Pre-Qualified Suppliers (the Policy) and associated Internal Operating Procedures (IOP) for the period 1 April 2026 to 30 June 2026.

DETAIL

A review of procurement activities undertaken through the Town's Panels of Pre-Qualified Suppliers was completed during the reporting period. The Town currently operate six Pre-Qualified Supplier panels.

The review assessed compliance with:

- Policy 2/022 Panels of Pre-Qualified Suppliers;
- PRO0001 Procurement IOP;

- Delegation 1.2.19; and
- Associated procurement record-keeping requirements.

The review included an examination of purchase orders and supporting procurement documentation maintained within the OneConnect Contracts Module.

Compliance with Council Policy 2/022 (Policy 2/022)

No instances of non-compliance with Policy 2/022 Panels of Pre-Qualified Suppliers were identified during the reporting period.

The review confirmed that:

- Suppliers were engaged from established panels approved under Regulation 24AC of the Local Government (Functions and General) Regulations 1996;
- Procurement activities were undertaken using the approved work allocation methodologies prescribed within the Policy;
- Contract engagements did not exceed the limitations established by the Policy and delegated authority; and
- Procurement decisions were made within approved delegations.

During this reporting period all suppliers on RFT 2324 – 19 Civil Construction & Trades Services and RFT 2324 – 22 Civil Construction Material were extended into the third and final year of the contract.

Non-compliance with Internal Operating Procedures

While no breaches of Policy 2/022 were identified, the review identified several minor instances of non-compliance with PRO0001 Procurement IOP.

The instances identified related to:

- The required number of quotes attached to purchase orders;
- Authorised procurement initiation template;
- External personnel procuring on behalf of the Town;
- Missing evidence of quotation evaluation; and
- Two instances where a written quotation was not attached to the purchase order despite requiring a written quote under the IOP.

The identified matters were administrative in nature and did not result in a breach of the Policy.

The matters will be addressed with the relevant officers and line managers, and further guidance and training will be provided where required.

Chief Executive Officer Policy Exempt Procurement

The Chief Executive Officer did not exercise any policy-exempt procurement discretion under the Policy during the reporting period.

Data Integrity and Assurance Limitations

The review was undertaken through a manual assessment of procurement records maintained within OneConnect.

The level of assurance obtained is dependent upon officers appropriately maintaining procurement records and attaching supporting documentation. Accordingly, the review provides reasonable, but not absolute, assurance of compliance.

Additional documentation was sought in two procurement activities to verify compliance with procedural requirements.

Observation and Opportunities for Improvement

- The review has identified opportunities to strengthen procurement governance through:
- Improved record-keeping and document management practices;
- Increased awareness of Procurement Initiation Template requirements;
- Enhanced documentation of evaluation outcomes; and
- A review of PRO001 Procurement IOP to ensure clarity on panel purchasing requirements.

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 generate community interest in the Town's ability to maintain effective governance and compliance practices.

CONSULTATION

Internal

- Procurement Officer
- Senior Procurement & Contracting Advisor
- Manager Governance

External Agencies
Nil

Community
Nil

LEGISLATION AND POLICY CONSIDERATIONS

Local Government Act 1995

Section 3.57

Local Government (Functions and General) Regulations 1996

Regulation 24AC

Policy 2/022 Panels of Pre-Qualified Suppliers

Internal Operating Procedure

PRO001 Procurement

FINANCE AND RESOURCE IMPLICATIONS

Financial Year 2025/2026 Annual Budget

STRATEGIC SUSTAINABILITY IMPLICATIONS

Council Plan

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

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

4.2 Transparent and accountable governance and financial sustainability

Environmental

There are no significant identifiable environmental implications related to this item.

Economic

There are no significant identifiable economic implications related to this item.

Social

There are no significant identifiable social implications related to this item.

Access and Inclusion

The Town's *Access and Inclusion Plan 2023-2026* has been considered, with no access and inclusion implications identified.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Financial
Cause	Failure to consistently apply approved procurement procedures and maintain adequate procurement records
Effect	Reduced ability to demonstrate compliance, provide assurance over procurement decisions and maintain effective governance controls, potentially resulting in adverse audit findings and reputational impacts to the Town.
Risk Treatment	This risk will be managed through ongoing procurement compliance reviews and officer education to promote consistent application of the Town's procurement policies and procedures.
There is an Operational, risk associated with the inconsistent application of approved procurement procedures and procurement record keeping requirements. This may weaken procurement governance controls, reduce audit assurance and increase the risk of non-compliance with the Town's procurement framework. The risk rating is Medium (6) which is determined by a likelihood of Possible (3) and a consequence of Minor (2).	

This risk will be treated by ongoing procurement compliance reviews and officer education to promote consistent application of the Town's procurement policies and procedures.

OPTIONS

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

CONCLUSION

The review found that the Town's Panels of Pre-Qualified Suppliers continue to operate in accordance with the Policy with no breaches being identified during the reporting period, Quarter 4 of the 2025/2026 Financial Year.

Several minor administrative non-compliances with the associated PRO001 Procurement IOP were identified and will be addressed through management action and officer training.

No policy-exempt procurement approvals were exercised by the Chief Executive Officer during the reporting period.

ATTACHMENTS

1. RFT 2324-01 [**11.3.1** - 1 page]
2. RFT 2324-05 [**11.3.2** - 1 page]
3. RFT 2324-19 [**11.3.3** - 1 page]
4. RFT 2324-20 [**11.3.4** - 1 page]
5. RFT 2324-22 [**11.3.5** - 1 page]
6. RFT 2425-11 [**11.3.6** - 1 page]

11.4	Project Uplift Progress Update

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

ARIC202627/5 OFFICER'S RECOMMENDATION & COMMITTEE RECOMMENDATION

MOVED: Mayor Behrend **SECONDED: Cr Todd**

That the Audit Risk and Improvement Committee recommends that Council receive and note the project Uplift Progress Update and the outcomes achieved to date.

CARRIED BY SIMPLE MAJORITY (5/0)

For: Cr McDowall, Cr Todd, Deputy Presiding Member McKeiver, Mayor Behrend and Presiding Member Lamb
Against: Nil

PURPOSE

The purpose of this report is for the Audit, Risk and Improvement Committee to consider the progress that has been achieved in Project Uplift, the Town's improvement plan.

DETAIL

On 24 June 2026, Council considered Item 12.5.1 Project Uplift: Endorsement of Implementation Plan (CM202627/202). The report outlined the establishment of a new enterprise-wide priority project, Project Uplift, that provided an initial approach to the implementation, governance and reporting framework through which the Town's Forward Improvement Plan (FIP) would be delivered. The actions outlined in the FIP will be progressed through Project Uplift. A copy of the FIP can be found on the Town's website.

At the conclusion of Project Uplift, when the project objectives are achieved, there will be evidence-based improvement in organisational capability and culture, governance discipline, control maturity, quality of reporting, compliance confidence and reduced organisational risk. This will improve Council confidence, build positive community trust and sentiment, enhance organisational culture and support a growing positive reputation for the Town. Project Uplift will embed systems-thinking into the Town's organisational culture, ensuring a sustainable legacy solution is implemented.

The Project Uplift Implementation Plan (PUIP) was endorsed by Council, noting that the budget to enable implementation of the initial phases of the PUIP falls within Financial Year (FY) 2026/27.

The PUIP proposes that Phase 1 be delivered in three stages:

Stage	Timing	Focus
Stage 1	May - July 2026	• Develop and implement communications and engagement plans. • Commence Enterprise Resource Planning (ERP) system end-to-end review. • Establish a CEO-led Steering Group. • Reinforce immediate financial controls and learnings. • Progress the recruitment of new fixed-term Director role.
Stage 2	August - October 2026	• Complete ERP end-to-end review and consider implementation of the review report recommendations and learnings. • Progress Asset Management review. • Commence risk, payroll, procurement and records management workstreams. • CEO to consider the establishment of Major Projects and Specialist Advisory Body.
Stage 3	November - December 2026	• Embed revised controls, validate completed actions, address residual issues. • Prepare recommendations, learnings and planning assumptions for Phase 2.

Notwithstanding pending draft Annual Budget FY2026/27 consideration, likely to occur at the August Ordinary Council Meeting, various aspects outlined in the Project Uplift Implementation Plan, Phase 1/stage 1 are being progressed, and planning is underway to progress stage 2.

Communications and Engagement

Ensuring staff and the community are informed, engaged and updated as Project Uplift progresses is vital. Both important audiences have high expectations of tangible business improvement. Progress includes:

- A dedicated Project Uplift intranet page for staff has been launched, with regular information updates published as appropriate. A copy of the FIP is available here.
- A dedicated Project Uplift page on the Town's website, specifically for the community and external audiences has been launched with updates published as appropriate. A copy of the FIP is available here.
- As at mid-July 2026, web statistics indicate almost 250 staff have viewed the intranet page, and 40 members of the community have viewed the website page. These numbers are expected to increase as the project ramps up.

The Northwest Telegraph published an article about Project Uplift on 16 July 2026, amplifying visibility of the project, and its anticipated benefits over the next 24 months. Ongoing media attention on Project Uplift's delivery, and embedding tangible systemic change can be anticipated.

ERP system end-to-end review

Following a comprehensive procurement process, Perth-based William Buck was appointed to undertake the review. Initial project scoping, information requests, and both online and in-person stakeholder meetings have been progressed. The review is intended to provide the Town with an independent assessment of:

- The planning, procurement, governance and implementation of the ERP project.
- Expenditure incurred, contract performance and value achieved.
- The current status, functionality and effectiveness of the ERP system and associated systems.
- Whether appropriate governance, project management, procurement, contract management, financial, privacy and information security controls were, and are, in place.
- Any actions required to stabilise, complete and successfully embed the ERP system across the organisation.

The review is expected to comprise a combined financial and contract review, governance and project assurance review, and technical and operational review of the ERP system and associated modules. A project report, that will include recommendations and learnings, is anticipated to be complete by 28 August 2026.

Funding for this project sits within the draft budget and will fall within the Office of the CEO's consultancy expense line.

Project Uplift Steering Group

Terms of reference, establishing a Chief Executive Officer (CEO) led Steering Group, have been approved. A copy is attached.

An initial Steering Group meeting was held on 22 July 2026. Chaired by the CEO, the Town's Monitor Andrew Hammond attended the meeting, along with Manager Special Projects.

Project Uplift's success will be underpinned by organisation-wide ownership and collective responsibility, underpinned by enhanced systems and controls, with robust policies, plans and procedures. Overtime, all Town employees will contribute to delivery and embedding the project's systemic and transformational changes.

To support the Steering Group, a small group of Town employees (eight, from across the business) have been selected via expression of interest to form a Change Champions Group (CCG). The CCG will provide insight, advice, and guidance to the Steering Group.

An initial CCG meeting was held on 22 July 2026.

Reinforce immediate financial controls

A range of actions have been put in place in the past two months to reinforce a range of existing plans, policies and procedures across the Town's operations.

These include:

- A comprehensive register of Town Internal Operating Procedures.
- A clear CEO expectation set on the use of e-signatures on documentation.
- The development of an updated Integrity Framework.
- The establishment of a CEO-led Procurement Risk Review Group.
- The reintroduction of regular formal executive and senior management strategic and operational risk review and oversight.

Project Uplift resourcing

Further consideration is underway about the most effective and efficient way to adequately resource Project Uplift, both financially and with the right human resources, over the next 24 months. It is anticipated that an executive level resource will be required to oversee the project, reporting to the CEO and working closely with both internal and external stakeholders to oversee the project's successful delivery, prior to handing over the benefits for embedding into business-as-usual Town operations. It is also anticipated that a small fixed-term team will be established to support project management and administration.

Funding for both human resources and project workstream related delivery and validation, likely to be external independent specialists initially, is included in the draft Annual Budget. Any external support will be procured and contracted following the Town's procurement framework.

At this stage, Project Uplift is being managed by the Manager Special Projects, based in the Office of the CEO.

Stage 2 of Phase 1

The next stage outlined in the current PUIP includes looking into the Town's approach to asset management, and looking more closely into risk management, payroll, procurement and records management. Manager Special Projects has already initiated engagement with the relevant Directors and subject matter experts to gain an understanding of the issues, and the potential steps required to provide repair or validation as appropriate.

Risk management

Project Uplift's implementation risks, as outlined in the FIP include:

- Insufficient executive capacity or competing operational priorities.
- Unclear ownership or limited follow-through by responsible officers.

- Poor integration between interdependent actions across different finding themes.
- Underestimation of system, workforce, or budget implications.
- Action closure without evidence of actual implementation.
- Loss of momentum after initial remediation activity.

Identifying, managing and mitigating project risks is a high priority. The successful delivery of Project Uplift, and the embedding of recommendations and learning to embed sustainable legacy solutions is non-negotiable. The significant business improvement required for project success means Project Uplift is an organisational priority.

Manager Special Projects has logged current project risks into the Town's risk register and added relevant risk mitigation and controls. At this stage, risk management is on track. There are no current unmanaged risks associated with the delivery of Project Uplift, and the FIP. Project risks, including any workstream specific risks, will be tracked, and reported at ARIC regularly.

LEVEL OF SIGNIFICANCE

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

- Executive Leadership Team
- Change Champions Group
- Manager Strategy & Communication

External Agencies

- Local Government Inspector Monitor

Community

- The community will be kept well informed as Project Uplift progresses.

LEGISLATION AND POLICY CONSIDERATIONS

Local Government Act 1995

Section 2.7

Section 5.41

Section 7.1A

Local Government (Audit) Regulations 1996

Regulation 16

FINANCIAL AND RESOURCE IMPLICATIONS

Funding for Project Uplift will be considered in the draft Annual Budget FY 2026/27. It is anticipated additional budget will be required in FY 2027/28 to support the ongoing delivery of Project Uplift, with further detail presented to Council through the annual budget process.

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.

Environmental

There are no significant identifiable environmental impacts relating to this item.

Economic

There are no significant identifiable economic impacts relating to this item.

Social

Project Uplift is expected to improve staff engagement, enhance organisational culture, and build community trust.

Access and Inclusion

The Town's *Access and Inclusion Plan 2023-2026* has been considered, with no access and inclusion implications identified.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Strategic and Operational
Risk Category	Financial Compliance Reputational
Cause	Identified systemic weaknesses in governance, leadership oversight, internal controls, procurement practices, contract management, asset management, workforce governance and enterprise systems as outlined in the FIP.
Effect (Consequence)	Failure to implement Project Uplift may result in continued financial inefficiencies, non-compliance with legislative and regulatory obligations, ineffective service delivery, increased exposure to audit findings, and ongoing reputational damage to the Town.
Risk Treatment	Treat/Transfer through the delivery of Project Uplift.

There is both a strategic and operational risk associated with this item caused by systemic governance, leadership and control weaknesses identified in the FIP, leading to financial inefficiencies, compliance risks, reduced organisational effectiveness, and potential ongoing reputational damage to the Town.

The risk rating is considered to be high (12), which is determined by a likelihood of possible (3) and a consequence of major (4).

This risk will be treated and partially transferred/shared through the implementation of Project Uplift, supported by a CEO Steering Group, the recruitment of executive level project oversight resource, adequate budget, and a robust reporting framework.

OPTIONS

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

CONCLUSION

The implementation of Project Uplift is underway, including the initiation of an end-to-end review of the Town's ERP system. Project Uplift will deliver the Forward Improvement Plan.

A governance framework is in place, communications channels to support the project's successful delivery have been established, and funding to support the ongoing delivery and implementation of Project Uplift will be considered as part of the Annual Budget.

The project risks have been identified, with appropriate controls put in place, to ensure that at this stage, the project is progressing smoothly, as planned. Planning is already underway to progress to Stage 2 of the Project's first phase.

The successful delivery of Project Uplift, the Town's improvement plan, is non-negotiable and cannot be discretionary. It is progressing as an organisational priority, with close monitoring by the CEO.

At the conclusion of Project Uplift, when the project objectives are achieved, there will be evidence-based improvement in organisational capability and culture, governance discipline, control maturity, quality of reporting, compliance confidence and reduced organisational risk. This will improve Council confidence, build positive community trust and sentiment, enhance organisational culture and support a growing positive reputation for the Town.

Project Uplift will embed systems-thinking into the Town's organisational culture, ensuring a sustainable legacy solution is implemented.

ATTACHMENTS

1. Project Uplift Steering Group - Terms of Reference June 26 [**11.4.1** - 4 pages]

11.5	Asset Management Framework Progress Report

Author:	**Project Engineer - Asset Management**
Authorising Officer:	**Director Infrastructure Services**
Disclosure of Interest:	The Author and Authorising Officer declare that they do not have any conflicts of interest in relation to this item.

ARIC202627/6 COMMITTEE DECISION

MOVED: Cr McDowall **SECONDED: Deputy Presiding Member 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 McDowall, Cr Todd, Deputy Presiding Member McKeiver, Mayor Behrend and Presiding Member Lamb
Against: Nil

PURPOSE

The report gives updates to The Audit, Risk & Improvement Committee (the ARIC) on the progress of Project Control Group (PCG) and Working Group on Asset Management Framework (AMF) worklists.

DETAIL

The Town of Port Hedland (the Town) has made progress in implementing its AMF since the last report. The table below provides the status of each Priority Activity Outcomes

Activity	Status Update
Team restructure	Senior – AM will report to Manager of Infrastructure Projects and Assets and lead the team of 3 (2x Project Engineer (Assets) and 1x Data Asset Officer). This will centralise responsibility for asset planning, renewal programs and project prioritisation. Furthermore, it improves consistency in asset data, risk assessment, and investment decisions.
Asset Management Plans (AMPs) per class V2, including actual maintenance and renewal work schedules	AMPs v2 has been endorsed by ELT 30/06/2026. The action is 100% complete.

Capture Global Positioning System (GPS) Coordinates	Geographical Information System (GIS) data for road surface & pavement, bridge, kerb, and carpark is captured. The action is 100% complete.
Data Warehouse Implementation	Backend configuration is 100% complete. Assets team is to deploy the automation system and showcase the environment in the Operational meeting (scheduled on 12/8/2026). The results of this will be reported to the PCG. The task will be closed out in the next ARIC update report.
Document the framework of AMPs back to the Financial Reporting	Decisions regarding the relationship between the Financial Report and the AMPs has been documented and sent to Finance for review. The action is 100% completed. As this is part of AMF, this will be circulated to PCG for review together with AMF for the agreed linkage between Asset Class, AMPs, and Financial Reporting.
Review National Asset Management Assessment Framework (NAMAF) for 26/27 initiatives	The NAMAF assessment report is received on 7 July 2026. This will be addressed/reviewed together with AMF to make a plan for improving the system in the next 5 years. A report will be provided in the next ARIC meeting.
Roles and Responsibilities document v2, include broader asset custodian responsibilities	The document has been updated following consultation workshops and will be approved at the AMF PCG on 5/8/2026.
Identify the completeness of each asset class asset register and spatial records	The following sets out the programme of works to be undertaken in line with the Town's revaluation cycle. This enables a structured and efficient approach to undertaking the work. It also enables significant cost savings for the Town to do both processes at once. The Town has all known assets in the Asset Register. When the Town undertakes its revaluation processes, the Town takes the opportunity to identify any gaps in the Asset Register and develop spatial information compliant to asset specification (A-SPEC) • Drainage to be revalued in financial year (FY) 26/27: It has spatial data but in non-compliant A-SPEC format. A contractor will be engaged to create A-SPEC data based on the existing Asset Inventory. This will be completed by the end of financial year. • Footpath to be revalued in FY26/27: It has spatial data but in non-compliant A-SPEC format. A contractor will be engaged to create A-SPEC data

	based on the existing Asset Inventory. This will be completed by the end of financial year. • Open space to be revalued in FY27/28: 10-20% of it has spatial data. • Building to be revalued in FY29/30: No spatial data. It should be noted that as renewal works are being completed on individual asset classes, spatial data is being collected and updated as part of those packages of work.
Update the asset registers and spatial records ready for creating respective asset management plans	Implementing building assets based on asset specification for buildings called B-SPEC to enhance asset management/operational activities. Creating GIS building footprint as part of the project. The project is expected to commence after budget adoption.
Incorporate Closed Circuit Television (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. Finance team will record the whole network into 1 parent asset for the cost as the majority of the assets are under the $5,000 capitalisation threshold.
Marina Spoilbank - Breakdown of asset attributes and cost, and capitalisation	Marina assets are recorded in the register. A valuation consultant visited the site in June with the report is expected by the end of August. Spoilbank Marina assets are being used as a pilot for embedded maintenance schedules.
Asset Movement Report	The consultant that was engaged did not commence the work. The asset movement report is now produced internally and reconciled monthly to the General Ledger. A Standard Operating Procedure (SOP) will be created for this process, and the report and SOP will be submitted to the internal auditor for review and approval.
25/26 Revaluation of Road Assets	Inspections for roads, kerbs, car parks, and bridges have been completed. Assets team have reviewed the condition rating and this has been agreed. Finance team is reviewing valuation report prior to finalisation.
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	On Hold.
Revise useful lives for all asset classes	Consulted with external stakeholders, current useful life guidelines match the deprecation 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. The report is underway (expected to be completed by the end of August).
Automation of Maintenance Schedules in OneConnect	A pilot to set up maintenance schedules in OneConnect is underway for Marina assets, with Parks identified as the next area for rollout. This is in recognition that automated maintenance schedules are essential for forecasting and renewal planning. Two training sessions have been set up for relevant key stakeholders at the end of August to strengthen the system knowledge and enable staff to transition the task into BAU

LEVEL OF SIGNIFICANCE

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

- Exception - The proposal or decision has already been addressed by the Council's strategies, policies or plans, which have recently been consulted on.

CONSULTATION

Internal

- Finance Services Business Unit
- Project Infrastructure & Assets Business Unit
- Digital Services Business Unit
- Operation & Maintenance Business Unit
- ERP Business Unit

External Agencies
Nil

Community
Nil

LEGISLATION AND POLICY CONSIDERATIONS

Local Government Act 1995
Section 5.56(3)(c)
Local Government (Administration) Regulations 1996

Regulation 19DA
Local Government (Financial Management) Regulations 1996
Regulation 5
Department Local Government, Sports and Cultural Industries (DLGSC) Asset Management Framework and Guidelines
Council Policies
9/010 Asset Management

FINANCE AND RESOURCE IMPLICATIONS

The resourcing of the Asset Management Plan is wholly contained within the proposed 2026-2027 Annual Budget and is incorporated into the proposed Long Term Financial Plan (LTFP), with no significant resource variations.

STRATEGIC SUSTAINABILITY IMPLICATIONS

Council Plan

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

Our Community: We honour our people and our cultural heritage – ensuring wellbeing, diversity, creativity and strong civic engagement and dialogue.

1.3 A unique, vibrant and diverse community lifestyle

Our Natural and Built Environment: We treasure and protect our natural environment and provide sustainable and resilient infrastructure and built form.

3.1 Healthy natural environment

3.2 Safe and fit-for-purpose built environment

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

- Outcome 2 – Buildings and Facilities
- Outcome 3 – Accessible Information
- Outcome 4 – Quality of Service

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational Strategic
Risk Category	Financial Service Interruption Compliance
Cause	The lack of strategic visions will lead to misaligned asset management practices, and subsequently, causing poor planning and operational outcomes. Therefore, it is essential to develop an integrated and accountable framework to address the matter proactively.
Effect (Consequence)	The insufficient asset management practices will eventually result in service disruption and fail to meet compliance standards regarding auditing purposes.
Risk Treatment	The implementation of AMF will provide a better structured planning cycle for managing assets while it ensures that the organisation can meet community expectations, regulatory standards and be financially sustainable when delivering services.
The risk rating is considered to be Medium (6) which is determined by a likelihood of Possible (3) and a consequence of Minor (2).	

OPTIONS

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

CONCLUSION

The report has been rescoped to provide feedback on the AMF PCG endorsed Priority Activity Outcomes.

At the end of financial year 2025/26, the Town has proven that the relevant teams have made steady progress to meet auditing standards.

As the agenda is prepared prior the first PCG meeting, priority activities for this financial year have not been reviewed and approved by PCG. These activities will be reported to ARIC in the next reporting period.

ATTACHMENTS

1. AMF PCG February 2026 - Priority Activity Outcome - As At 7 July 2026 [**11.5.1** - 2 pages]

12 Motions of Which Previous Notice have been given

Nil

13 New Business of an Urgent Nature (Late Items)

Nil

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

ARIC202627/7 PROCEDURAL MOTION & COMMITTEE DECISION

MOVED: Presiding Member Lamb SECONDED: Mayor Behrend

That the Audit, Risk and Improvement Committee closes the meeting to members of the public pursuant to section 5.23 of the *Local Government Act 1995*, to consider any confidential matters under Item 14 of the agenda.

CARRIED BY SIMPLE MAJORITY (5/0)

For: Cr McDowall, Cr Todd, Deputy Presiding Member McKeiver, Mayor Behrend and Presiding Member Lamb
Against: Nil

The Presiding Member declared the meeting closed to the public at 2:40pm.

ARIC202627/8 PROCEDURAL MOTION & COMMITTEE DECISION

MOVED: Presiding Member Lamb SECONDED: Cr McDowall

That the Audit, Risk and Improvement Committee, pursuant to section 5.23(1) of the *Local Government Act 1995* and clause 6.2(3)(b) of the Town of Port Hedland Standing Orders Local Law 2014, reopens the meeting to members of the public.

CARRIED BY SIMPLE MAJORITY (5/0)

For: Cr McDowall, Cr Todd, Deputy Presiding Member McKeiver, Mayor Behrend and Presiding Member Lamb
Against: Nil

The Presiding Member declared the meeting open to the public at 2:51pm.

Councillor McDowall left meeting at 2:51pm.

14.1	Quarterly Risk Management Update

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

Authorising Officer: **Acting 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.

ARIC202627/9 COMMITTEE DECISION

MOVED: Mayor Behrend **SECONDED: Cr Todd**

That the Audit, Risk and Improvement Committee, with respect to the Quarterly Risk Management Update in Confidential Attachments 1-4, receives the report.

CARRIED BY SIMPLE MAJORITY (4/0)

For: Cr Todd, Deputy Presiding Member McKeiver, Mayor Behrend and Presiding Member Lamb
Against: Nil

PURPOSE

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

The report focuses on strategic and operational risks assessed as having a High or Extreme residual rating. Detailed risk information is provided separately within confidential attachments 1-4.

DETAIL

Risk management supports informed decision-making and provides a structured approach to identifying, assessing, treating and monitoring matters that may affect achievement of the Town's objectives.

Current risk profile

As at July 2026, the Town had 13 risks assessed as having a High or Extreme residual rating.

Risk type	High	Extreme	Total
Strategic	6	0	6
Operational	4	3	7
Total	10	3	13

All current High and Extreme residual risks are assessed as being outside the Town's approved risk appetite.

Movement since the previous quarter

The overall number of High and Extreme residual risks remained unchanged between the Quarter 3, 2025-26 (Q3) risk update presented to ARIC in May 2026 and the Quarter 4, 2025-26 (Q4) risk update presented to ARIC in August 2026. However, the composition of the risk profile changed during the period.

Risk profile	Q3	Q4	Movement
High risks	9	10	+1
Extreme risks	4	3	-1
Total high and extreme residual risks	13	13	Nil

The risks further broken down by risk type are presented below.

Risk type	Q3	Q4	Movement
Strategic high and extreme risks	5	6	+1
Operational high and extreme risks	8	7	-1
Total	13	13	Nil

During the quarter:

- Six (6) risks entered the High and Extreme reporting cohort;
- Six (6) risks were removed from the High and Extreme reporting cohort; and
- No continuing risks moved between the High and Extreme residual rating levels.

Risk management activity update

During the quarter, Enterprise Resource Planning (ERP) project risks began to be entered into the Town's corporate risk register, replacing the manually maintained project register. This will support consistent ownership, review, and reporting through the Town's established risk management process. The consolidated movement report in attachment 4 has been completed using the Q3 and Q4 operational registers providing a clear view of changes in the material risk profile.

The Audit, Risk and Insurance business unit’s focus for the next reporting period is to complete overdue strategic risk reviews, confirm the basis for risks removed from the High and Extreme reporting cohort, and strengthen the currency of treatment, review and forecast information.

A proposed strategic risk workshop is scheduled for late August 2026, together with newly established weekly executive reporting, intended to strengthen accountability for risks outside appetite and improve the reliability of information provided to the ARIC.

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

Nil

Community

Nil

LEGISLATION AND POLICY CONSIDERATIONS

Local Government Act 1995

Section 5.23(4)(e)

Local Government Audit Regulations 1996

Regulations 16 and 17

Council Policies

Policy 1/022 Risk Management

Risk Appetite Statement

Risk Management Framework

Internal Operating Procedure:

Risk Management

FINANCIAL AND RESOURCE IMPLICATIONS

Certain risks outlined in the Risk Registers in attachments 1 and 2 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 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

Environmental

There are no significant identifiable environmental implications related to this item.

Economic

There are no significant identifiable economic implications related to this item.

Social

There are no significant identifiable social implications related to this item.

Access and Inclusion

The Town's *Access and Inclusion Plan 2023-2026* has been considered, with no access and inclusion implications identified.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Strategic
Risk Category	Reputational
Cause	Inaccurate, incomplete or untimely risk information being reported to the ARIC.
Effect (Consequence)	Reduced confidence in the Town's governance processes and ineffective oversight of risks outside appetite.
Risk Treatment	Treat
There is a strategic reputational risk associated with this item if information regarding the Town's risk profile is inaccurate, incomplete, or not reviewed in a timely manner. This could limit the ARIC's ability to effectively monitor risks outside the approved risk appetite and may reduce stakeholder confidence in the Town's governance and risk management practices. The risk rating is Medium (6), determined by a likelihood of Unlikely (2) and a consequence of Moderate (3). This risk is treated through the Town's Risk Management Framework, including periodic review of risk information by risk owners, oversight by the Executive Leadership Team, and quarterly reporting of High and Extreme residual risks to the ARIC. Planned strategic risk reviews and recently improved executive reporting arrangements will further improve the quality, accuracy, and timeliness of risk information.	

OPTIONS

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

CONCLUSION

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

Reasons for Confidentiality

s. 5.23(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.

1. CONFIDENTIAL - Operational Risk Register - High and Extreme Residual [**14.1.1** - 3 pages]
2. CONFIDENTIAL - Strategic Risk Register - High and Extreme Residual [**14.1.2** - 2 pages]
3. CONFIDENTIAL - Risk Heatmap Report - High and Extreme Residual [**14.1.3** - 23 pages]
4. CONFIDENTIAL - Q4 Risk Movement Report [**14.1.4** - 3 pages]

14.2	Quarterly Audit Log Review

Author:	**Senior Audit, Risk & Insurance Advisor**
Authorising Officer:	**Acting 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.

ARIC202627/10 COMMITTEE DECISION

MOVED: Mayor Behrend **SECONDED: Cr Todd**

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

CARRIED BY SIMPLE MAJORITY (4/0)

For: Cr Todd, Deputy Presiding Member McKeiver, Mayor Behrend and Presiding Member Lamb
Against: Nil

PURPOSE

The purpose of this report is for the Audit, Risk and Improvement Committee (the ARIC) to receive and note the Quarter 4, 2025-26 (Q4) 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 10 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.

The Q4 position is summarised below:

Status	Q3 2025-26	Q4 2025-26	Movement
Completed	4	13	+9
In progress	34	23	-11
Not started	3	5	+2
Total actions	41	41	Nil

The Q3, 2025-26 (Q3) figures presented above are not consistent with the Q3 update presented to ARIC at its previous public meeting. Instead, they reflect the updated audit log subsequently provided to ARIC at the Committee's request.

Digital Services updates were not received to be included in the Q3 report presented at the public meeting and these updates were subsequently incorporated into the audit log and provided to ARIC through the Docs on Tap platform on 20 May 2026. Accordingly, the updated spreadsheet has been used as the comparative Q3 baseline for this Q4 report to ensure that all 41 actions are included, and that movement between reporting periods is calculated on a consistent basis.

At Q4, completed actions increased from four to 13. Actions in progress decreased from 34 to 23, while actions not started increased from three to five. The total action population remained unchanged at 41.

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

- Executive Leadership Team (ELT)
- Director Corporate Services
- Director Infrastructure Services
- Manager Financial Services
- Manager Infrastructure Operations
- Manager Strategy and Communications
- Manager Human Resources
- Principal Business Systems
- Senior Procurement and Contracting Advisor
- Senior Governance Advisor
- Senior Records Officer
- Senior Audit, Risk and Insurance Advisor

- Principal Health, Safety and Wellness
- Coordinator Customer Experience

External Agencies

Nil

Community

Nil

LEGISLATION AND POLICY CONSIDERATIONS

Local Government Act 1995

Part 7

Section 5.23(4)(e)

Local Government (Audit) Regulations 1996

Regulations 16(c) and 16(d)

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

Environmental

There are no significant identifiable environmental implications related to this item.

Economic

There are no significant identifiable economic implications related to this item.

Social

There are no significant identifiable social implications related to this item.

Access and Inclusion

The Town's *Access and Inclusion Plan 2023-2026* has been considered, with no access and inclusion implications identified.

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

Overall, the Q4 position demonstrates positive progress in addressing the Town's outstanding audit actions. Completed actions increased from four to 13, and actions in progress reduced from 34 to 23. However, the increase in actions not started, from three to five, indicates that continued management attention is required to ensure these actions commence promptly and are supported by clear delivery timeframes.

The Audit, Risk and Insurance business unit will continue to monitor the audit log, prioritise higher-risk and overdue actions, and work with responsible officers to ensure that progress updates and supporting evidence are provided within future reporting timeframes. This will support accurate reporting to ARIC and the timely closure of actions once the relevant recommendations have been fully implemented.

ATTACHMENTS

Reasons for Confidentiality

s. 5.23(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.

1. CONFIDENTIAL - Town of Port Hedland Audit Log Q4 2025-26 - Sorted by Audit Type [**14.2.1** - 6 pages]

14.3	Town Debtors

Author: **Manager Financial Services**

Authorising Officer: **Acting 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.

ARIC202627/11 OFFICERS RECOMMENDATION & COMMITTEE RECOMMENDATION

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

That the Audit, Risk & Improvement Committee:

1. **Receives the report on Town Debt; and**
2. **Recommend to Council the action to commence disposition of property pursuant to s6.68 of the *Local Government Act 1995* for Property ID 4495, 4421 and 6051.**

CARRIED BY SIMPLE MAJORITY (4/0)

For: Cr Todd, Deputy Presiding Member McKeiver, Mayor Behrend and Presiding Member Lamb
Against: Nil

PURPOSE

The purpose of this report is for the Audit, Risk and Improvement Committee (the ARIC) to inform Council of ongoing progress towards actions on the Town of Port Hedland's (the Town) outstanding Aged Miscellaneous and Rates Debt.

The Town's Policy 2/005 Financial Hardship deals with payment arrangements.

DETAIL

Miscellaneous Debtors

Are created when an invoice is issued for goods or services provided by the Town. Should a debt remain unpaid after three months the debt is referred to AMPAC Debt recovery for collection.

The Town's Miscellaneous Debt Collection Procedure is:

Stage	Days from invoice issue date	Action taken
1	Over 30 Days	Statements issued with a reminder that the account is now overdue

Stage	Days from invoice issue date	Action taken
	Over 42 days	Stop credit will be enforced if the debt remains unpaid. Accounts Receivable contact the Debtor.
2	Over 60 days	Debtor statements issued with a "Final Notice" stamp advising payment is required within 7 days or legal action will commence. Accounts Receivable contact the Debtor.
3	Over 67 days	If payment has not been received or a payment arrangement entered into 7 days after stage 2, a letter allowing a further 10 days to settle the account or make alternative arrangements is issued to the Debtor
4	Over 90 days	The Director Corporate Services and Manager Financial Services are authorised to commence legal action to collect debts outstanding over 90 days from date of invoice.

Included as Attachment 1 are the Town's Aged Miscellaneous Debtors. Noting the total is net of credits, a summary is as follows:

As at Date	Current	30+ days	60+ days	90+ Days	TOTAL
30 June 2026	$3,889,999	$302,973	$5,502	$35,105	$4,233,578

Items of Significance

- Debtor 279, Capital Grant funding, $2,709,702, in Current Miscellaneous Debt, payment has since been received.

The provision for miscellaneous doubtful debts as at 30 June 2025 was $122,590 and the Manager Financial Services is not proposing to change this provision at the moment, as in the opinion of Management, it remains adequate.

Rates Debtors

The Town has collected 99.1% of Current Rates debt in the 2025/26 Financial Year. There are currently no debtors on declared and approved financial hardship.
Actions undertaken are summarised as follows:

Days from invoice issue date	Action taken
Over 35 Days	Final Notice is issued seven days after the due date requesting full payment within 14 days unless the Ratepayer has agreed to enter into a special payment arrangement or is able to catch-up to the instalment option

Days from invoice issue date	Action taken
	as per the Rate Notice (Does not apply to Pensioners and Seniors).
Over 60 days	Where debt is still outstanding, Rates Officers will make best effort to contact the Ratepayer prior to commencing further debt recovery action.

Where the debt remains unpaid, the Town will explore the debt recovery procedures outlined in Policy 2/005 Financial Hardship and in line with the *Local Government Act 1995.*

Included as Attachment 2 is the summary of the Town's Rates Debt.

By age, outstanding Rates debt are as follows:

As at Date	Current	Arrears	3rd Previous Year and Greater	TOTAL
30 June 2025	$2,240,504	$376,762	$140,217	$2,757,485
30 June 2026	$782,814	$1,380,441	$207,938	$2,371,194

The provision for rates doubtful debts as at 30 June 2025 was $23,842, and the Manager Financial Services is not proposing to change this provision at the moment, as in the opinion of Management, it remains adequate.

Items of Significance

As per Council decision (CM202627/194) Council rejected the appeal to write of interest charges on outstanding rates for Prop ID 8240, this debt remains in Arrears.

Debtors greater than 5 years:

- Property ID 6103; McLeods have prepared a Federal Court application to allow the State Solicitors Office (SSO) and authorities to transfer the land to the Town. This has notified the mortgagees who have now raised enquiries on the outstanding debt with the Town's Lawyers.
- Property ID 4495; This property was listed for sale in 2025 although it appears the sale has fallen through, Note the advance to LGA sale of property for unpaid rates as per section 6.68 of the *Local Government Act 1995.*
- Property ID 3185; Property was sold and debt has been fully recovered.
- Property ID 3103; Ratepayer has agreed to make a lump sum payment and is currently on a fortnightly payment plan.

- Property ID 4421; Form 2 lodged for Local Government Act (LGA) sale to commence as per section 6.68 of the *Local Government Act 1995* unless debt settlement can be reached earlier.

Debtors at least 3 years but less than 5 years:

- Property ID 6051; Note the advance to LGA sale of property for unpaid rates as per section 6.68 of the *Local Government Act 1995* unless a payment agreement can be reached earlier.
- Property ID 2514; Note apply rent for rates on outstanding debt as per delegation 1.2.30.
- Property ID 1016; Note seeking to recover Rates as per delegation 1.2.28 via a General Procedure Claim (GPC).
- Property ID 139; Ratepayer to commence a payment plan.
- Property ID 4668; Note seeking to recover Rates as per delegation 1.2.28 via a General Procedure Claim (GPC).

LEVEL OF SIGNIFICANCE
In accordance with Policy 4/009 'Significant Decision Making', this matter is considered to be high, because any issue, proposal, decision or other matter that will substantially affect a wide range of people who reside in Port Hedland.

CONSULTATION
Internal
- Accounts Officer
- Rates Officers

External Agencies
Nil

Community
Nil

LEGISLATION AND POLICY CONSIDERATIONS
Local Government Act 1995
Section 5.23(4)
5.23 (4)(b)
Part 6 – Financial management (Division 4 – General financial provisions)
Section 6.12(c)
Part 6 – Financial management (Division 6 – Rates and service charges) (Subdivision 4 – Payment of rates and service charges).
Section 6.47
Part 6 – Financial management (Division 6 – Rates and service charges) (Subdivision 5 – Recovery of unpaid rates and service charges).
Section 6.60

Part 6 – Financial management (Division 6 – Rates and service charges) (Subdivision 6 – Actions against land where rates or service charges unpaid).
Section 6.64(1)
Section 6.64(3)
Section 6.68(1)
Section 6.71(1)
Register of Delegated Authority
1.2.26
1.2.28
1.2.29
1.2.30
1.2.31
1.3.7

FINANCE AND RESOURCE IMPLICATIONS

The provision for doubtful debts for both miscellaneous sundry and rates debt is considered adequate.

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

Environmental

There are no significant identifiable environmental implications related to this item.

Economic

There are no significant identifiable economic implications related to this item.

Social

There are no significant identifiable social implications related to this item.

Access and Inclusion

The Town's *Access and Inclusion Plan 2023-2026* has been considered, with no access and inclusion implications identified.

RISK MANAGEMENT CONSIDERATIONS

Risk Type	Operational
Risk Category	Financial

Cause	Non-recovery of debts
Effect	Increased spending in legal and collection costs
Risk Treatment	Adhering to debt recovery procedures to ensure timelines are met and the debtor is provided opportunities to settle their debt(s).
There is an Operational, risk associated with this item caused by non-recovery of debts leading to increased spending on legal and collection costs. The risk rating is considered to be High (15) which is determined by a likelihood of Almost certain (5) and a consequence of Moderate (3). This risk will be treated by adhering to debt recovery procedures to ensure timelines are met and the debtor is provided opportunity to settle their debt and maintaining an appropriate amount for provision of doubtful debts.	

OPTIONS

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

CONCLUSION

In conclusion, this report serves the purpose of reporting to the ARIC on the Town's progress in addressing Aged Miscellaneous and Rates Debt. The detailed overview of Miscellaneous Debtors and Rates Debt, along with the established procedures and actions, reflects the Town's commitment to responsible financial management. The approach taken from invoicing to debt recovery demonstrates adherence to best practice principles.

The Financial Hardship Policy demonstrates the Town's recognition of genuine financial challenges, highlighting a balanced and compassionate approach to outstanding rates. This report, in accordance with the *Local Government Act 1995*, demonstrates the Town's commitment to financial responsibility and ethical debt management.

Actively seeking recovery and settlement of rates debts which have been unpaid for at least three (3) years, enables the return of inactive properties to the market and back into rate paying ownership.

ATTACHMENTS

Reasons for Confidentiality

s. 5.23(4)(b) Information relating to the personal affairs of an individual.

1. CONFIDENTIAL - Miscellaneous Debtors 30 June 2026 [**14.3.1** - 1 page]
2. CONFIDENTIAL - Rates Debtors 30 June 2026 [**14.3.2** - 1 page]

15 Closure

There being no further business, the Presiding Member declared the meeting closed at 2:57pm and reminded the Committee of the next Audit, Risk and Improvement Committee Meeting, scheduled for 2:00pm Wednesday, 8 December 2026, at this same venue.