AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

MINUTES

Shire of Cranbrook

Great Southern's Finest

For the Audit, Risk and Improvement Committee Meeting held on

19 August 2026

ATTENTION/DISCLAIMER

These minutes will be confirmed at the next Ordinary Council Meeting. The minutes should be read to ascertain the decision of the Council.

In certain circumstances members of the public are not entitled to inspect material, which in the opinion of the Chief Executive Officer is confidential, and relates to a meeting or a part of a meeting that is likely to be closed to members of the public.

No responsibility whatsoever is implied or accepted by the Shire of Cranbrook for any act, omission, statement or intimation occurring during Council or Committee meetings.

The Shire of Cranbrook disclaims any liability for any loss whatsoever and howsoever caused arising out of reliance by any person or legal entity on any such act, omission or statement of intimation occurring during Council or Committee meetings.

Any person or legal entity who acts or fails to act in reliance upon any statement, act or omission made in a Council or Committee meeting does so at that person's or legal entity's own risk.

In particular and without derogating in any way from the broad disclaimer above, in any discussion regarding any planning application or application for a licence, any statement or intimation of approval made by any member or Officer of the Shire of Cranbrook during the course of any meeting is not intended to be and is not taken as notice of approval from the Shire of Cranbrook.

The Shire of Cranbrook advises that anyone who has any application lodged with the Shire of Cranbrook must obtain and should only rely on WRITTEN CONFIRMATION of the outcome of the application and any conditions attaching to the decision made by the Shire of Cranbrook in respect of the application.

Recording of Meetings

- All Council Meetings are digitally recorded, for audio only, except for Confidential Agenda Items (in accordance with Section 5.23(2) of the *Local Government Act 1995*) during which time recording ceases.
- Following publication and distribution of the meeting minutes to Council Members the digital audio recording will be available on the Shire's website.

Defamation – cl 14K *Local Government (Administration) Regulations 1996*

(1) A local government is not liable to an action for defamation in relation to any of the following done by the local government as required or authorised under this Part —

(a) publicly broadcasting a meeting;
(b) making a recording of a meeting;
(c) making a recording of a meeting publicly available;
(d) retaining a recording of a meeting or a copy of a recording;
(e) providing a copy of a recording of a meeting to the Departmental CEO.

<u>Scope of Committee:</u>
Regulation 16 of the Local Government (Audit) Regulations 1996 defines the functions of the audit committee as follows:
An audit, risk and improvement committee has the following functions —

(a) to receive and review reports on, and recommend to the council actions to be taken in relation to —
  - (i) audits under Part 7 of the Act; and
  - (ii) compliance audits; and
  - (iii) reviews under regulation 17;

(b) to otherwise receive and review reports on the appropriateness and effectiveness of, and recommend to the council improvements to, the local government's systems and procedures in relation to —
  - (i) financial management; and
  - (ii) legislative compliance; and
  - (iii) risk management;

(c) to receive and review reports on, and recommend to the council improvements to, the implementation of any actions that the local government —
  - (i) is required to take under section 7.12A(3); and
  - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
  - (iii) has otherwise decided to take in response to a report or recommendation referred to in paragraph (a) or (b); and
  - (iv) has stated it has done or proposes to do in written advice prepared under section 8.6(1)(a) or 8.23(4)(a);

(d) any other function conferred on the audit, risk and improvement committee under these regulations or another written law.

CONTENTS

MINUTES

1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chairperson, Mr Daniel Barbour declared the meeting open at 2.05pm. The Chairperson alerted the meeting to the procedures for emergencies including evacuation, designated exits and muster points.

2. ATTENDANCE / APOLOGIES / APPROVED LEAVE OF ABSENCE

2.1 ATTENDANCE

Chairperson	Mr D (Daniel) Barbour
Councillors	Cr P (Peter) Denton
	Cr H (Harvey) Gillam
	Cr P (Perin) Mulcahy
	Cr DM (Daisy) Egerton-Warburton
	Cr C (Chelsea) Lange
	Cr JA (Jen) Quick
	Cr P (Peter) Beech
Chief Executive Officer	Ms LA (Linda) Gray
Manager of Finance	Miss C (Chelsea) Paterson
Manager of Works	Mr L (Les) Vidovich
Community Development Manager	Mrs J (Jenny) Cristinelli
Governance Officer	Mrs R (Renee) Dean

Members of the Public

2.2 APOLOGIES

Nil

3. PUBLIC QUESTION TIME

Nil

3.1 RESPONSE TO PREVIOUS PUBLIC QUESTIONS TAKEN ON NOTICE

Nil

4. DICLOSURES OF INTEREST

Financial Interest
Cr P Mulcahy
Item 6.3
Type: Financial Interest pursuant to Section 5.60A *Local Government Act 1995*
Nature: Supply of gravel to the Shire and contractor – ½ financial stake in the profits of sale

Financial Interest
Cr H Gillam
Item 6.3
Type: Financial Interest pursuant to Section 5.60A *Local Government Act 1995*
Nature: Supply of gravel to the Shire

Financial Interest
Cr D Egerton-Warburton
Item 6.3
Type: Financial Interest pursuant to Section 5.60A *Local Government Act 1995*
Nature: Supply of water to the Shire

5. CONFIRMATION OF MINUTES OF PREVIOUS MEETING

5.1 AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING – 17 June 2026

Motion 01082026

Moved Cr Denton, seconded Cr Quick that the minutes from the Audit, Risk and Improvement Committee Meeting held on 17 June 2026, be confirmed as a true and correct record.

CARRIED 8/0
FOR: Cr J Quick, Cr P Denton, Cr H Gillam, Cr P Beech, Cr D Egerton-Warburton, Cr P Mulcahy, Cr C Lange, Mr D Barbour
AGAINST: Nil

6. GENERAL BUSINESS

6.1	**PERFORMANCE IMPROVEMENT PLAN AND POLICY**
RESPONSIBLE OFFICER:	Linda Gray – Chief Executive Officer
REPORT AUTHOR:	Phillip Summers – People and Projects Officer
FILE REFERENCE:	GO17
APPLICANT:	Nil
DATE OF REPORT:	6 August 2026
ATTACHMENTS:	1. Policy 2.3 Employee Management. 2. Policy 2.26 Performance Improvement Policy. 3. Performance Improvement Plan Template.

Purpose
The purpose of this report is for the Council to consider the adoption of changes to the Policy Manual in respect to employee performance management and Performance Improvement Plans (PIP).

Background
Under Section 2.7(2b) of the *Local Government Act 1995* (the Act), the Council is to determine the Local Government's policies. Policy changes are presented to Council for review. Where amendments are significant, or the policy is new then the policy will be included as an individual agenda item. These policies will guide the decision-making and actions of the Council, Management Team and staff throughout the year.

Officer's Comment
The Management Team has identified that the process for how employee Performance Improvement Plans are to be conducted has not been documented. To ensure procedural fairness and consistency in these processes a new policy is proposed. Existing policies are updated to reflect this change. The proposed policy aligns with WALGA guidelines.

Policy Number and Title	Amendments
2.3 Workforce – Employee – Performance Management	Amended - Under "Performance Improvement Plans" – reference to proposed new policy 2.26
2.26 Workforce – Employee - Performance Improvement Policy.	New policy, new template– As per attachment

Statutory Environment
Local Government Act 1995 (WA) 2.7 (2b) states:
The Council is to determine the Local Government's policies.
Local Government Act 1995 (WA) s*5.40 (c)* states:
Employees are to be treated fairly and consistently.
Local Government Act 1995 (WA) s*5.38* states:
(2) The CEO must ensure that the performance of each other employee who is employed for more than 1 year is reviewed.
(3) A review under subsection (1) or (2) must be conducted at least once in relation to each year of the person's employment

Policy Applicable – Implications
This report proposes adoption of the new and revised policies to the Council Policy Manual as defined above.

Financial Implications
There are no financial implications for this report.

Risk Implications
The risks associated with matters in this report include:
- Ineffective Employment Practices
- Inadequate Engagement Practices
- Failure to fulfil Statutory, Regulatory or Compliance Requirements

The **impact** of the risk is People and Non-Compliance.
The **consequences** of these risks are considered to be Moderate
The **likelihood** is Unlikely
Hence the **risk rating** for this item is Low

Risk mitigation includes:
- Policy 2.3 Workforce – Employee – Performance Management
- Consultation with WALGA Employee Services

Strategic Community Plan Reference
The 2025-2035 Shire of Cranbrook, Council Plan states that:

Key Pillar: 2 Economic:
Activities: 4.2.2 Provide a positive and safe workplace

Consultation
Consultation for this report included the Management Team, Executive Officer and Shire staff.

Voting Requirements
Simple Majority

OFFICERS RECOMMENDATION/COMMITTEE DECISION
Motion 02082026
Moved Cr Egerton-Warburton, seconded Cr Denton that the Audit, Risk and Improvement Committee recommends that Council:
1. **Adopts amendments to policy 2.3 Workforce – Employee – Performance Management**
2. **Adopts policy 2.26 Workforce - Employee – Performance Improvement Policy**

CARRIED 8/0
FOR: Cr J Quick, Cr P Denton, Cr H Gillam, Cr P Beech,
Cr D Egerton-Warburton, Cr P Mulcahy, Cr C Lange, Mr D Barbour
AGAINST: Nil

6.2	**ELECTED MEMBERS – ALLOWANCES AND REIMBURSEMENTS POLICY UPDATE**
RESPONSIBLE OFFICER:	Linda Gray – Chief Executive Officer
REPORT AUTHOR:	Kerry Fisher – Chief Financial Officer
FILE REFERENCE:	N/A
APPLICANT:	Nil
DATE OF REPORT:	11 August 2026
ATTACHMENTS:	1.7 Governance **–** Elected Members – Allowances and Reimbursements Policy

Purpose

The purpose of this report is for the Council to consider an amendment to the Elected Members – Allowances and Reimbursements Policy. Shire of Cranbrook Policy Manual 2026, 1.7 Governance - Elected Members – Allowances and Reimbursements.

Background

Under Section 2.7(2b) of the *Local Government Act 1995* (the Act), the Council is to determine the Local Government's policies. Each year the Policy Manual is presented to Council for review with minor amendments. Where amendments are significant, or the policy is new then the policy will be included as an individual agenda item. These policies will guide the decision-making and actions of the Council, Management Team and staff throughout the year.

Officer's Comment

The Management Team and staff regularly review the current Policy Manual and, as a result, Council is periodically requested to consider and approve amendments and improvements to individual policies.

Statutory Environment

Section 2.7(2b) of the Local Government Act 1995, states that:
The Council is to determine the Local Government's policies.

Policy Applicable – Implications

This report proposes two changes to the Elected Members – Allowances and Reimbursements Policy. Firstly, to allow for the annual Information Communication and Technology (ICT) Allowance to be paid quarterly to Councillors, at the same time as their other allowances. And to deduct the cost of an iPad from the ICT Allowance during the Elected Members first year of office. In the current policy the iPad is being deducted from the Meeting Allowance.

Financial Implications

There are no financial implications for this report.

Risk Implications

The risks associated with matters in this report are varied and include:

- Misconduct
- Failure to fulfil Statutory, Regulatory or Compliance Requirements
- Inadequate Document Management Processes
- Inadequate Engagement Practices
- Inadequate Asset Sustainability Practices
- Ineffective Employment Practices

The **impact** of the risk is: Non-Compliance
The **consequences** of these risks are considered to be Moderate
The **likelihood** is Unlikely
Hence the **risk rating** for this item is Low

Risk mitigation includes:

- Councillors having a clear understanding of the content of all policies, including the attached purchasing policy; and
- The successful execution of policies by the Management Team and staff.
- Review of the Policy Manual, when necessary, throughout the year.

Council Plan 2025-2035 Reference
The 2025-2035 Shire of Cranbrook, Council Plan states that:

Key Pillar: 4 Leadership
To demonstrate and partake in strong government and leadership:
Strategy 4.1*: maintain a high level of corporate governance responsibility and accountability*.
    4.1.1 *Provide strategic leadership and governance*

Consultation
Consultation for this report included the Management Team, Executive Officer and Shire staff.

Voting Requirements
Absolute Majority

OFFICERS RECOMMENDATION/COMMITTEE DECISION
Motion 03082026
Moved Cr Beech, seconded Cr Mulcahy that the Audit Risk and Improvement Committee recommend that Council adopt the amended Shire of Cranbrook 1.7 Governance – Elected Members – Allowances and Reimbursements Policy, as attached.

CARRIED 8/0
FOR: Cr J Quick, Cr P Denton, Cr H Gillam, Cr P Beech,
Cr D Egerton-Warburton, Cr P Mulcahy, Cr C Lange, Mr D Barbour
AGAINST: Nil
By Absolute Majority

6.3	**REVIEW OF POLICY 5.1 - ROAD MATERIAL ACQUISITION - GRAVEL, SAND AND WATER**
RESPONSIBLE OFFICER:	Linda Gray - Chief Executive Officer
REPORT AUTHOR:	Les Vidovich – Manager of Works
FILE REFERENCE:	GO17
APPLICANT:	N/A
DATE OF REPORT:	12 August 2026
ATTACHMENTS:	Reviewed Draft Policy 5.1 - Gravel, Sand and Water Supplies and Pit Rehabilitation

Purpose
The purpose of this report is for Council to consider the update of the existing Policy 5.1 - Road Material Acquisition - Gravel, Sand and Water, and to consider adopting the updated policy titled Policy 5.1 - Gravel, Sand and Water Supplies and Pit Rehabilitation.

The review has been undertaken to ensure the policy continues to provide a clear and consistent framework for the Shire's access to, extraction and use of gravel, sand and water for road maintenance, road construction and other operational requirements, together with appropriate requirements for landowner consultation, compensation, pit management and rehabilitation.

Background
The Shire of Cranbrook requires ongoing access to suitable gravel, sand and water supplies to undertake its annual road maintenance, renewal and construction programs and other operational activities.

These materials and water supplies may be sourced from private properties throughout the Shire and are important to the ongoing maintenance and improvement of the Shire's road network. Their acquisition and use require appropriate arrangements with landowners, including access, compensation, private works where applicable, rehabilitation and management of affected land.

The existing Policy 5.1 - Road Material Acquisition - Gravel, Sand and Water provides a framework for the Shire's acquisition of road-building materials and water from private property. As part of the Shire's ongoing policy review process, the policy has been reviewed to ensure its provisions remain appropriate, clear and aligned with current operational requirements and relevant legislation.

As part of the review, it is proposed that the policy be renamed Policy 5.1 - Gravel, Sand and Water Supplies and Pit Rehabilitation to better reflect its broader scope, including material and water acquisition, landowner arrangements, pit management, rehabilitation and ongoing monitoring. The updated policy is presented for Council's consideration.

Officer's Comment
Gravel, sand and water are important resources used by the Shire in the maintenance, renewal and construction of its road network and other operational activities. Maintaining reliable access to suitable supplies is therefore important to the efficient delivery of the Shire's annual works program.

The review of the existing Policy 5.1 - Road Material Acquisition - Gravel, Sand and Water provides an opportunity to update and clarify the Shire's framework for the acquisition, extraction, use and management of gravel, sand and water supplies and the rehabilitation of extraction sites.

Key matters addressed through the reviewed policy include:

- Consultation with landowners prior to extraction activities commencing;
- Written agreements between the Shire and landowners;
- Compensation arrangements for gravel, sand and water acquired from private property;
- Options for landowners to receive payment and/or private works in consideration for materials or water acquired;
- Testing of gravel and sand materials to ensure they are suitable for construction purposes;
- Minimising the impact and inconvenience of extraction activities on landowners;
- Appropriate management of gravel and sand pits; and
- Rehabilitation and ongoing monitoring of extraction sites.

An important component of the reviewed policy is the requirement for appropriate rehabilitation of gravel and sand pits. The policy recognises that rehabilitation is necessary to minimise issues such as soil compaction, drainage impacts, erosion and visual impacts associated with extraction activities.

The reviewed policy provides specific rehabilitation requirements for bushland and pastured sites and establishes requirements for progressive rehabilitation and monitoring of pits following extraction. It also provides a framework for the rehabilitation of abandoned pits where required.

The reviewed policy will provide greater clarity and consistency in the Shire's dealings with landowners and establish clear expectations regarding the Shire's responsibilities when accessing gravel, sand and water supplies and rehabilitating extraction sites.

It is considered that adoption of the reviewed and renamed policy will support the effective delivery of the Shire's road construction, maintenance and other operational programs while ensuring material acquisition, extraction, water supply arrangements and subsequent rehabilitation are undertaken in a responsible, transparent and consistent manner

Statutory Environment
Local Government Act (1995)
Section 2.7 (2) Provides information on the role of Council.
(1) The council —
(a) governs the local government's affairs; and
(b) is responsible for the performance of the local government's functions.

(2) Without limiting subsection (1), the council is to —
(a) oversee the allocation of the local government's finances and resources and
(b) determine the local government's policies."

The reviewed policy has regards to sections 3.21, 3.22, 3.27, 3.31, 3.32 and 3.33 and Schedule 3.2 of the Local Government Act 1995 relating to works and the acquisition of materials required for public works. The policy also identifies relevant environmental, work health and safety and biodiversity legislation that may apply.

Policy Applicable – Implications
The existing Policy 5.1 - Road Material Acquisition - Gravel, Sand and Water currently governs the Shire's arrangements for the acquisition of road-building materials and water. The review provides Council with the opportunity to update the policy to reflect current operational, governance, environmental and rehabilitation requirements.

Adoption of the reviewed policy, to be renamed Policy 5.1 - Gravel, Sand and Water Supplies and Pit Rehabilitation, will provide an updated framework for the Shire to manage these activities consistently and transparently.

The reviewed policy provides guidance to Shire staff and landowners regarding access arrangements, compensation, private works, material testing, water acquisition, pit management, rehabilitation and monitoring requirements

Financial Implications
The reviewed policy provides the following rates of payment for gravel, sand and water acquired from private property:

The rates contained in the reviewed policy are:

- Gravel – $2.00 per cubic metre, exclusive of GST;
- Sand – $1.50 per cubic metre, exclusive of GST; and
- Water – $1,000 per ML, no GST.

Expenditure associated with the purchase of gravel, sand and water, private works arrangements and rehabilitation activities will be accommodated through the Shire's annual budget and relevant road construction, maintenance and operational programs.

Where funding is required for the rehabilitation of abandoned pits, an appropriate allocation may be considered by Council as part of its annual budget deliberations.

Risk Implications
The risks associated with matters in this report are:

- Failure to fulfil statutory, regulatory or compliance requirements;
- Inconsistent arrangements with private landowners for gravel, sand and water supplies;
- Inadequate management of material extraction and water acquisition activities;
- Environmental impacts associated with extraction activities and;
- Inadequate rehabilitation of gravel and sand pits

The **impacts** of the risk are: People, Environment, Financial, Non-Compliance, Reputational
The **consequences** of these risks are considered to be: Moderate
The **likelihood** is: Possible
Hence the **risk rating** for this report is: Medium
Risk mitigation includes adopting and implementing the reviewed policy, ensuring written agreements are established with landowners prior to extraction or acquisition, complying with relevant legislative requirements and ensuring appropriate pit management, rehabilitation and monitoring.

Council Plan 2025-2035 Reference
The 2025-2035 Shire of Cranbrook, Council Plan states that:

To enhance maintain protect and promote our natural environment and built infrastructure
Strategy 3.3: *Maintain our built infrastructure, servicing the needs of the community*
Activities: ***3.3.1 Maintain Road infrastructure network and pursue funding opportunities to support appropriate road network service levels***
3.3.2 Seek upgrade of transport an associated infrastructure, including air, rail, bridges
3.3.4 Maintain and enhance our community infrastructure, providing appropriate public facilities

The reviewed policy supports these objectives by establishing appropriate arrangements for securing the gravel, sand and water supplies required to maintain and improve the Shire's road infrastructure and deliver operational requirements, while ensuring extraction sites are appropriately managed and rehabilitated.

Consultation
Consultation for this report included Chief Executive Officer, Manager of Works and Relevant Shire operational staff.

Where required, consultation with affected landowners will continue to be undertaken in accordance with the requirements of the policy.

Voting Requirements
Simple Majority

OFFICER'S RECOMMENDATION/COMMITTEE DECISION
Motion 04082026
Moved Cr Quick, seconded Cr Beech that the Audit, Risk and Improvement Committee recommends that Council adopts the updated Policy 5.1, currently titled Road Material Acquisition - Gravel, Sand and Water, and approves its renaming to Policy 5.1 - Gravel, Sand and Water Supplies and Pit Rehabilitation, as presented.

CARRIED 5/0
FOR: Cr J Quick, Cr P Denton, Cr P Beech,
Cr C Lange, Mr D Barbour
AGAINST: Nil

Crs Mulcahy, Gillam and Egerton-Warburton left the room 2.08pm.
Crs Mulcahy, Gillam and Egerton-Warburton re-entered 2.09pm

6.4	**NEW POLICY 1.20 – GOVERNANCE – PRIVACY POLICY**
RESPONSIBLE OFFICER:	Linda Gray – Chief Executive Officer
REPORT AUTHOR:	Phillip Summers – People and projects Offices
FILE REFERENCE:	G017
APPLICANT:	N/A
DATE OF REPORT:	12 August 2026
ATTACHMENTS:	Nil

Purpose
The purpose of this report is for the Council to consider the adoption of a new Policy 1.20 Governance - Privacy Policy.

Background
The Management Team acknowledges that the Shire of Cranbrook handles personal information and that the Legislative requirement to implement a Privacy Policy as part of *Privacy and Responsible Information Sharing Act 2024 (WA)* has not been met. To address this gap the Management Team, propose the council adopts the proposed policy which addresses the requirements of the Information Privacy Principles (IPP) as prescribed in the Act.

Officer's Comment
As part of the staged introduction of the Act, the provisions of the act that came into place on 1 July 2026 included the requirement for the introduction of a privacy policy for entities including local Government. From 1 January 2027, local Government agencies must start reporting all serious data breaches.

Statutory Environment
- Privacy and Responsible Information Sharing Act 2024 (PRIS Act)
- Privacy Act 1988 (Cth)
- Freedom of Information Act 1992 (WA)
- State Records Act 2000 (WA)

Policy Applicable – Implications
There is no Council policy applicable to this report.

Financial Implications
There are no financial implications for this report.

Risk Implications
The risks associated with matters in this report are:
- Failure to fulfil Statutory, Regulatory or Compliance Requirements

The **impacts** of the risk are: People, Non-Compliance, Reputational
The **consequences** of these risks are considered to be: Minor
The **likelihood** is: Unlikely
Hence the **risk rating** for this report is: Low

Risk mitigation includes excellent record keeping procedures.

Council Plan 2025-2035 Reference
The 2025-2035 Shire of Cranbrook, Council Plan states that:

Key Pillar: 4 Leadership
To demonstrate and partake in strong government and leadership
Strategy 4.1: *maintain a high level of corporate governance responsibility and accountability*
Activities: 4.1.1 Provide strategic leadership and governance

Consultation
Consultation included Shire's Governance Officer.

Voting Requirements
Simple Majority

OFFICER'S RECOMMENDATION/COMMITTEE DECISION
Motion 05082026
Moved Cr Denton, seconded Cr Mulcahy that the Audit, Risk and Improvement Committee recommends that Council adopts Policy 1.20 – Governance – Privacy Policy.

CARRIED 8/0
FOR: Cr J Quick, Cr P Denton, Cr H Gillam, Cr P Beech, Cr D Egerton-Warburton, Cr P Mulcahy, Cr C Lange, Mr D Barbour
AGAINST: Nil

7. MATTERS BEHIND CLOSED DOORS

In accordance with Sections 5.23(4)(c) and 5.23(2)(e) (iii)
of the Local Government Act 1995, the following Items and their attachments are confidential.

As such it is recommended that the meeting be closed to the public in order deal with these items.

Voting Requirements
Simple Majority

OFFICER'S RECOMMENDATION/COMMITTEE DECISION
Motion 06082026
Moved Cr Egerton-Warburton, seconded Cr Denton that the meeting be closed to members of the public in accordance with sections 5.23 (4) (c) and 5.23(2)(e)(iii) of the Local Government Act 1995.

CARRIED 8/0
FOR: Cr J Quick, Cr P Denton, Cr H Gillam, Cr P Beech,
Cr D Egerton-Warburton, Cr P Mulcahy, Cr C Lange, Mr D Barbour
AGAINST: Nil

The meeting was closed to the public at 2.12pm.

7.1	**RISK MANAGEMENT REVIEW – AUDIT REGULATION 17**
RESPONSIBLE OFFICER:	Linda Gray – Chief Executive Officer
REPORT AUTHOR:	Linda Gray – Chief Executive Officer
FILE REFERENCE:	AD106, FM9
APPLICANT:	N/A
DATE OF REPORT:	5 August 2026
ATTACHMENTS:	Risk Report – Confidential Attachment

Voting Requirements
Simple Majority

OFFICER'S RECOMMENDATION/COMMITTEE DECISION
Motion 07082026
Moved Cr Lange, seconded Cr Quick that the Audit and Risk Improvement Committee recommends that Council receives the attached CEO's report on the Review of Risk Management, Internal Controls and Legislative Compliance for the Shire of Cranbrook.

CARRIED 8/0
FOR: Cr J Quick, Cr P Denton, Cr H Gillam, Cr P Beech,
Cr D Egerton-Warburton, Cr P Mulcahy, Cr C Lange, Mr D Barbour
AGAINST: Nil

7.2	**POLICY MANUAL PROPOSED CHANGES**
RESPONSIBLE OFFICER:	Linda Gray – Chief Executive Officer
REPORT AUTHOR:	Phillip Summers – People and Projects Officer
FILE REFERENCE:	GO17
APPLICANT:	Nil
DATE OF REPORT:	11 August 2026
ATTACHMENTS:	Policy 1.19 Cyber Security (Confidential)

Voting Requirements
Simple Majority

OFFICERS RECOMMENDATION/COMMITTEE DECISION
Motion 08082026
Moved Denton, seconded Quick that the Audit, Risk and Improvement Committee recommends that Council adopt Policy 1.19 Governance - Cyber Security (CONFIDENTIAL)

CARRIED 8/0
FOR: Cr J Quick, Cr P Denton, Cr H Gillam, Cr P Beech,
Cr D Egerton-Warburton, Cr P Mulcahy, Cr C Lange, Mr D Barbour
AGAINST: Nil

Voting Requirements
Simple Majority

OFFICER'S RECOMMENDATION/COMMITTEE DECISION
Motion 09082026
Moved Denton, seconded Egerton-Warbuton that the meeting be re-opened to members of the public.

The meeting was re-opened to the public at 2.13pm

CARRIED 8/0
FOR: Cr J Quick, Cr P Denton, Cr H Gillam, Cr P Beech,
Cr D Egerton-Warburton, Cr P Mulcahy, Cr C Lange, Mr D Barbour
AGAINST: Nil

8. NEW BUSINESS OF AN URGENT NATURE INTRODUCED BY A DECISION OF THE MEETING

OFFICER'S RECOMMENDATION/COMMITTEE DECISION
Motion 10082026
Moved Cr Egerton-Warbuton, seconded Cr Denton that the Audit Risk and Improvement Committee discuss Item 7.1, Compliance Audit Return 2025, now.

CARRIED 8/0
FOR: Cr J Quick, Cr P Denton, Cr H Gillam, Cr P Beech,
Cr D Egerton-Warburton, Cr P Mulcahy, Cr C Lange, Mr D Barbour
AGAINST: Nil

8.1	**COMPLIANCE AUDIT RETURN - 2025**
RESPONSIBLE OFFICER:	Linda Gray – Chief Executive Officer
REPORT AUTHOR:	Linda Gray – Chief Executive Officer
FILE REFERENCE:	AD5
APPLICANT:	Nil
DATE OF REPORT:	18 August 2026
ATTACHMENTS:	2025 Compliance Audit Return

Purpose
The purpose of this report is for the Audit Committee to consider the Compliance Audit Return (CAR) for the 2025 calendar year as required by the Local Government (Audit) Regulations 1996.

Background
The Compliance Audit Report (CAR) is an essential tool for the Council to assess and monitor the effectiveness of its operations. In accordance with the Local Government (Audit) Regulations 1996, all local Governments are required to conduct a compliance audit for the period 1 January – 31 December 2025.

The CAR is historically completed within the first quarter of a calendar year, however with the introduction of the Local Government Inspectorate, Tony Brown the deadline for submitting the CAR for the period of 1 January to 31 December 2025 has been deferred until 30 September 2026. The Inspectorates role is to:

- Prepare and issue the required CAR form
- Ensure integrity and accuracy of compliance reporting
- Intervene early if a CAR reveals systemic non-compliance
- Appoint monitors to assist local governments in resolving issues

Due to the above appointment, there have been changes to the statutory requirements for which a compliance audit is needed. The CAR must be completed by the local government administration reviewed by the Audit, Risk and Improvement Committee (ARIC) and then adopted by the council before submission to the Local Government Inspector by 31 March of the year following the audit period.

The 2025 CAR audit has been completed by an external consultant with the support from the Chief Executive Officer, Ms Linda Gray. For the 2024 CAR, the audit was completed by an internal staff member, whereas the 2023 CAR was carried out by an external consultant. This variation in the approach to the assessment allows for a broader and more independent analysis of the organisation's compliance. In changing the individual or team conducting the assessment each year, the Council ensures a more objective evaluation of its controls and overall compliance.

Officer's Comment
The CAR is to be completed through the CAR portal and currently focuses on areas of compliance deemed high risk. The Audit Committee is tasked with reviewing the CAR and presenting the results of that review to Council for approval before it is formally adopted. Following the Council's adoption, the CAR is to be signed and evidence of Council resolution adopting the CAR with a record of the council resolution in meeting minutes. This is required prior to final submission through the CAR Portal to the Local Government Inspector of the Department of Local Government, Sport, and Cultural Industries by 30 September 2026.

Attached is the Compliance Audit Return for this year, which reflects 1 finding, resulting in a score of 1/83.

Local Government Act 1995	0 out of 42
Local Government (Administration) Regulations 1996	1 out of 10
Local Government (Audit) Regulations 1996	0 out of 2
Local Government (Constitution) Regulations 1998	0 out of 2
Local Government (Elections) Regulations 1997	0 out of 1
Local Government (Financial Management) Regulations 1996	0 out of 11
Local Government (Functions and General) Regulations 1996	0 out of 15

Statutory Environment
The Local Government (Audit) regulations define the process and requirements for the compliance audit return.

Policy Applicable – Implications
There is no Council policy applicable to this report.

Financial Implications
There are no financial implications for this report.

Risk Implications
The risks associated with matters in this report are:

- Failure to fulfil Statutory, Regulatory or Compliance Requirements

The **impact** of the risk is Non-Compliance
The **consequences** of these risks are considered to be Insignificant The
likelihood is Rare, hence the **risk rating** for this item is Low

Risk mitigation involves ensuring the timely completion of the CAR each year, promptly addressing any identified errors, and implementing processes to sustain these corrections. Additionally, engaging a consultant periodically provides an opportunity for an external review, offering fresh insights into the process.

Council Plan Reference
The 2025-2035 Shire of Cranbrook, Council Plan states that:
Strategic Objectives – Leadership – to demonstrate and partake in strong government and leadership.
Key Strategies 4.1: Maintain a high level of corporate governance, responsibility and accountability.
Activities 4.1.1: Provide strategic leadership and governance.

Consultation
Mrs Renee Dean, Governance Officer
Ms Tea Ethridge, Finance Officer
Mrs J Cristinelli, Community Development Manager
Ms Chelsea Patterson, Manager of Finance
Ms Kerry Fisher, Chief Financial Officer
Ms Linda Gray, Chief Executive Officer

Voting Requirements
Absolute Majority

OFFICER'S RECOMMENDATION/COMMITTEE DECISION
Motion 11082026
Moved Cr Quick, seconded Cr Mulcahy that the Audit Committee recommends that Council adopts the Shire of Cranbrook's Compliance Audit Return for the period 1 January to 31 December 2025, as attached.

CARRIED 8/0
FOR: Cr J Quick, Cr P Denton, Cr H Gillam, Cr P Beech, Cr D Egerton-Warburton, Cr P Mulcahy, Cr C Lange, Mr D Barbour
AGAINST: Nil
By Absolute Majority

9. CLOSURE OF MEETING

There being no further business to discuss the Chairperson, Mr Daniel Barbour declared the meeting closed at 2.14pm.