Audit, Risk & Improvement Committee Meeting

Minutes | 12th May 2026

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SHIRE OF QUAIRADING

Audit, Risk & Improvement Committee Meeting

The Audit, Risk & Improvement Committee Meeting Minutes of Meeting held on 12th May 2026 commencing at 5:00 PM.

ITEM 1 OPENING & ANNOUNCEMENTS

The Chairperson opened the Meeting at 5.00 pm.

"Before we start our meeting, I would like to acknowledge that we are meeting on Noongar/Ballardong land. We pay respect to the original custodians of the land…past and present. I welcome you all here today for this meeting."

ITEM 2 ATTENDANCE AND APOLOGIES

Councillors

Mrs T Fraser	Chairperson
Cr TJ Stacey	Shire President
Cr JC Hayes	Deputy Shire President
Cr BR Cowcill	
Cr SL Hadlow	
Cr KS Squiers	

Council Officers

Mr NJ Warren	Chief Executive Officer
Ms SE Caporn	Executive Manager, Works & Services
Ms J Green	Executive Manager, Community and Development
Ms M Haeusler	Manager of Governance

Observer/Visitor

Nil

Apologies

Ms T Brown	Executive Manager, Corporate Services

Leave of Absence Previously Granted

Nil

Not Present

Cr RC Faltyn
Cr LJ Stacey Cowcill

ITEM 3 DEPUTATIONS/PRESENTATIONS/SUBMISSIONS/PETITIONS

Nil

ITEM 4 DECLARATIONS OF INTEREST

Nil

ITEM 5 CONFIRMATION OF MINUTES AND BUSINESS ARISING

5.1 Confirmation of Minutes: Audit & Risk Committee Meeting – 3 March 2026

COMMITTEE RESOLUTION: ARIC 024-25/26

Moved: Cr TJ Stacey
Seconded: Cr KS Squiers

That the Minutes of the Audit & Risk Committee Meeting held on the 3 March 2026 be confirmed as a true and accurate record.

FOR: Mrs T Fraser and Crs TJ Stacey, JC Hayes, BR Cowcill, SL Hadlow and KS Squiers

AGAINST: Nil

CARRIED 6/0

BUSINESS ARISING

ITEM 6 GOVERNANCE

6.1 Terms of Reference - Audit, Risk & Improvement Committee - Review

Responsible Officer Nic Warren, Chief Executive Officer

Reporting Officer Marion Haeusler, Manager of Governance

Attachments
1. Terms of Reference - Audit Risk & Improvement Committee (DRAFT) ⇩
2. Proposed ARIC Work Plan ⇩

Voting Requirements Simple Majority

Disclosure of Interest Reporting Officer: Nil

Responsible Officer: Nil

COMMITTEE RESOLUTION: ARIC 025-25/26

Moved: Cr JC Hayes
Seconded: Cr BR Cowcill

That the Audit, Risk & Improvement Committee recommend to Council that Council

1. endorse the review of the Terms of Reference – Audit, Risk & Improvement Committee as in Attachment 1.
2. adopt the Workplan for FY26/27 as in Attachment 2 and include in Terms of Reference as Annexure 1.

FOR: Mrs T Fraser and Crs TJ Stacey, JC Hayes, BR Cowcill, SL Hadlow and KS Squiers

AGAINST: Nil

CARRIED 6/0

IN BRIEF

Council adopted the Terms of Reference – Audit, Risk & Improvement Committee (ARIC ToR) in August 2025 at its ordinary meeting.

Officers have reviewed the ARIC ToR for Council's consideration.

MATTER FOR CONSIDERATION

The Shire of Quairading routinely reviews its Policies on a biennial basis, as prescribed, or when necessary. Policies are reviewed against Shire processes and procedures, changes in legislation, and for clarity in wording.

Officers have amended the ARIC ToR to include the appointment of an independent Presiding Member and have taken the opportunity to review the structure of the document as well as the impact of other legislative changes.

BACKGROUND

Under the *Local Government Act 1995* and the *Local Government (Audit) Regulations 1996*, all Western Australian local governments are required to establish an Audit Committee. The primary purpose of this committee is to assist the Council in fulfilling its governance and oversight responsibilities in relation to financial reporting, risk management, internal control systems, and compliance with legislative requirements.

The changes to the audit committee as passed with the *Local Government Amendment Act 2024,* enacted on 1 January 2026 with a transitional period ending 30 June 2026 now mandate that the Local Government's audit committee must be established as an Audit, Risk & Improvement Committee. Additionally, the committee must be chaired by an independent Presiding Member and to ensure this, the Local Government must appoint an independent Deputy to the Presiding Member.

Some of these changes had already been implemented with the original adoption of the ARIC ToR in August 2025 and the subsequent reestablishment of the committee and appointment of an Independent Presiding Member in October 2025. Council appointed an independent Deputy to the Presiding Member at its meeting in April 2026.

The following changes to the ARIC ToR are proposed in this review:

- A new section was created for the delegation of powers to the ARIC. The previous document contained a statement that the committee had no delegations. Delegation 1.1.1 of the Shire's Delegation Register delegates Council's authority under s.7.12(2), (3) and (4) to the committee.
- Some sections under 'Membership' were deleted for irrelevance, moved to new section 4 Meeting Fees or moved to section 5 Secretarial/Administrative Resources
- New section 3 was created to describe the appointment of the independent Deputy to the Presiding Member
- Section 6 was amended to include the independent Deputy and recognise that the committee can vary in size.
- Sections under 10 Roles of the ARIC were amended to reflect changes to the Audit Regulations regarding the CEO's report under r.17.
- Section was added under 12 Other Matters to include the implementation of an annual workplan for the committee.

The draft work plan for the committee's consideration and amendment is included in attachment 2 to this report and is proposed to form an annexure to the ARIC ToR.

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Local Government (Audit) Regulations 1996

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

ALIGNMENT WITH STRATEGIC PRIORITIES

5.3 **Governance & Leadership**: Provide informed and transparent decision making that, meets our legal obligations, and the needs of our diverse community

5.4 **Governance & Leadership**: Implement systems and processes that meet legislative and audit obligations

CONSULTATION

The Audit, Risk & Improvement Committee is being consulted on the Terms of Reference.

RISK MANAGEMENT PRIORITIES

This report addresses the following identified Strategic Risk Management Priorities:

3.1 Governance, Financial and Compliance Risks: Financial Viability and Asset Management

3.3 Governance, Financial and Compliance Risks: Organisational Misconduct

3.2 Governance, Financial and Compliance Risks: Cybersecurity and Data Protection

RISK ASSESSMENT

	Option 1
Financial	High *The Audit, Risk & Improvement Committee is required to ensure local government finances and audit requirements are being followed in line with relevant Acts and Regulations.*
Health	N/A
Reputation	High *It is a statutory requirement to have an Audit, Risk & Improvement Committee. As per the current Terms of Reference, at least once a year the Terms of Reference and performance of the committee are to be reviewed and recommended to Council.* *Reputational Risk is mitigated with the effective operation of Council's Audit, Risk & Improvement Committee and also sound governance and financial management in place.*
Operations	Low
Natural Environment	N/A

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Possible	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quartely senior management review	HIGH Quarterly senior management review
Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

COMMENT

Nil

ITEM 7 STANDING ITEMS – EXTERNAL AUDIT

7.1 2025/2026 Financial Audit - Office of the Auditor General (OAG)

Responsible Officer Nic Warren, Chief Executive Officer

Reporting Officer Tricia Brown, Executive Manager, Corporate Services

Attachments
1. Attachment (i) Audit Strategy Report ⇩
2. Attachment (ii) Interim Management Letter 2025/2026 ⇩

Voting Requirements Simple Majority

Disclosure of Interest Reporting Officer: Nil

Responsible Officer: Nil

COMMITTEE RESOLUTION: ARIC 026-25/26

Moved: Cr KS Squiers
Seconded: Cr TJ Stacey

That the Audit, Risk & Improvement Committee recommend to Council, that Council:

1. Acknowledges receipt of the Audit Strategy Report provided by Crowe Perth (Attachment i)
2. Notes that the Auditors conducted the 2025-2026 Interim Financial Audit onsite between the 7th and 10th April 2026.
3. Acknowledges receipt of the Interim Financial Management Letter noting 2 Minor and 2 Moderate Findings including Management's comments to the findings (Attachment ii)

FOR: Mrs T Fraser and Crs TJ Stacey, JC Hayes, BR Cowcill, SL Hadlow and KS Squiers

AGAINST: Nil

CARRIED 6/0

IN BRIEF

The 2025-2026 Interim Audit was conducted onsite between 7th and 10th April 2026.

BACKGROUND

The external audit, also known as financial audits or audit of the annual financial statements, focuses on providing an objective and independent examination of the financial statements prepared by the Shire, increasing the value and user confidence in the financial statements.

Following the expiration of the three (3) year contract with the current auditors AMD, the Office of the Auditor General (OAG) conducted a Tender process to engage new auditing firms. Through this process Crowe Perth were appointed as the Shire's auditors for a three (3) year term commencing with the audit for the year ending 30 June 2026. The Auditor General maintains the right to extend the contracted audit firm for a further two (2) years, two (2) one (1) year options.

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Local Government (Audit) Regulations 1996

Australian Accounting Standards

International Financial Reporting Standards

POLICY IMPLICATIONS

Purchasing Policy

Records Management Policy

Significant Accounting Policies

Delegation 1.1.13: Payments from the municipal or trust funds

Delegations Register

FINANCIAL IMPLICATIONS

Council had a budget allocation of $45,903 in the 2025/26 budget for the conduct of the external audit function by the Office of the Auditor General (OAG), for the audit of the 2024/25 annual financial statements. The OAG advised following the Exit Meeting that additional costs for the 2024/2025 Financial Audit was required. This was due to extra work required by AMD in respect to investigations and charges of fraudulent activity by the then CEO. The additional cost for the extra work was determined at $11,122 (including both AMD & OAG), therefore the final Audit Fee for 2024-2025 was $57,025. A budget adjustment was made to cover the additional costs.

Council has received for the 2025/2026 Audit Fee an indicative amount of $47,300. Only a 3.04% increase from the prior year budget amount.

ALIGNMENT WITH STRATEGIC PRIORITIES

5.3 **Governance & Leadership**: Provide informed and transparent decision making that, meets our legal obligations, and the needs of our diverse community

5.4 **Governance & Leadership**: Implement systems and processes that meet legislative and audit obligations

CONSULTATION

Nil.

RISK MANAGEMENT PRIORITIES

This report addresses the following identified Strategic Risk Management Priorities:

3.1 Governance, Financial and Compliance Risks: Financial Viability and Asset Management

RISK ASSESSMENT

	Option 1
Financial	Medium *Cost of the audit is included in the budget – 25/26 audit fee only sees a minimal increase.*
Health	Low
Reputation	Low *Compliant with legislative requirements. Failure to complete the annual financial audit would lead to increased reputational risk and possible actions by the OAG.*
Operations	Low *Council's Management and administration staff assist AMD by providing all information and documents requested. Operational impact is minimal in reporting progress on audit findings, however the operational impact of not closing findings would be significantly higher if conditions escalated.*
Natural Environment	Low

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
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Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

COMMENT

The CEO and EMCS will continue to report on progress of audit findings through the Audit Progress Register that is submitted to the Audit and Risk Committee and recommended to Council.

There were no ongoing prior year audit matters identified, relevant to the interim period tested.

COMMITTEE COMMENTS

Cr Stacey noted that there seems to be ongoing misalignment of expectations in the auditing process, where auditors note what appear to be procedural failures and Management Comment than explains that the issue is either endemic or not an issue at all.

The CEO responded that understanding of Local Government processes was essential to the auditing process and was not always a given.

The Chairperson asked whether the findings where likely to be removed in the final Audit Report following explanation through the Management Comments.

The CEO responded that this was likely to happen if the explanations in the Management Comments were satisfactory.

7.2 Audit Register - Progress Report

Responsible Officer	Nic Warren, Chief Executive Officer
Reporting Officer	Tricia Brown, Executive Manager, Corporate Services
Attachments	1. Attachment (i) Audit Register Progress Report (confidential)
Voting Requirements	Simple Majority
Disclosure of Interest	Reporting Officer: Nil Responsible Officer: Nil

COMMITTEE RESOLUTION: ARIC 027-25/26

Moved: Cr BR Cowcill
Seconded: Cr JC Hayes

1. That the Audit, Risk & Improvement Committee recommends to Council, that Council notes the progress recorded against each item within the audit register in confidential attachment (i).
2. That the Audit, Risk & Improvement Committee recommend to Council to accept the new findings from the 2025-2026 Interim Management Letter and be added to the Audit Register Progress Report (Confidential Attachment (i)
3. That the Audit, Risk & Improvement Committee recommend to Council, that Council accept the completed findings and approves their removal from the Audit Register Progress Report (Confidential Attachment (i)

FOR: Mrs T Fraser and Crs TJ Stacey, JC Hayes, BR Cowcill, SL Hadlow and KS Squiers

AGAINST: Nil

CARRIED 6/0

IN BRIEF

- This report provides an update on the progress of actions included in the audit register.
- The audit register includes all open audit findings that have previously been accepted by the Audit, Risk & Improvement Committee.

MATTER FOR CONSIDERATION

Receipt of the audit register progress report to 30 April 2026.

BACKGROUND

The external audit, also known as financial audits or audit of the annual financial statements, focuses on providing an objective and independent examination of the financial statements prepared by the Shire, increasing the value and user confidence in the financial statements.

The audit register lists findings from audit reports previously accepted by the Audit, Risk & Improvement Committee. The register describes the progress of implementing improvements and percentage completion. Progress on the actions is monitored by management, this Committee and Council.

New findings from the 2025/2026 interim audit management letter are included in this report.

STATUTORY ENVIRONMENT

Local Government (Audit) Regulations 1996
Local Government (Financial Management) Regulations 1996
Local Government Act 1995

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Council had a budget allocation of $45,903 in the 2025/26 budget for the conduct of the external audit function by the Office of the Auditor General (OAG), for the audit of the 2024/25 annual financial statements. The OAG advised following the Exit Meeting that additional costs for the 2024/2025 Financial Audit was required. This was due to extra work required by AMD in respect to investigations and charges of fraudulent activity by the then CEO. The additional cost for the extra work was determined at $11,122 (including both AMD & OAG), therefore the final Audit Fee for 2024-2025 was $57,025. A budget adjustment was made to cover the additional costs.

Council has received for the 2025/2026 Audit Fee an indicative amount of $47,300. Only a 3.04% increase from the prior year budget amount.

ALIGNMENT WITH STRATEGIC PRIORITIES

5.4 **Governance & Leadership**: Implement systems and processes that meet legislative and audit obligations

CONSULTATION

Nil.

RISK ASSESSMENT

	Option 1
Financial	*Moderate* *The costs associated with the annual audit is included in the budget. Due to substantial extra work conducted by the Auditors a significantly higher fee was required. The 25/26 indicative Audit Fee is expected to be only a minimal increase.*
Health	Low
Reputation	Low *Compliant with legislative requirements. Failure to complete the findings from audit reports would lead to increased reputational risk.*
Operations	Low *Operational impact is minimal in reporting progress on audit findings. Operational impact of not closing findings would escalate.*
Natural Environment	Low

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
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COMMENT

The audit register **confidential** **attachment (i)** counts actions and totals by “Finding #”. Each finding may have more than one “recommendation” and associated “agreed management action”. Only when all recommendations and agreed management actions within a finding are deemed complete will the finding, as a whole be, totalled at 100% complete and recommended to be closed.

The process for adding and removing findings to the audit register is as follows:

1. An external audit is completed, and an audit report is finalised.
2. The audit report is presented to the Audit, Risk & Improvement Committee (ARIC).
3. The ARC recommends to Council that it notes and accepts the audit report.
4. All findings from the audit report are **added** to the audit register.
5. Progress is reported by management with updates recorded quarterly in “officer comment / action taken”.
6. Any findings deemed as complete by management are marked as “100% complete” with the status of “closed”.
7. The audit register – progress report is submitted by management to the ARIC.
8. The ARIC reviews the audit register and confirms completion of any 100% and closed findings.
9. The ARIC recommends to Council that it notes progress and approves the findings marked as complete to be registered as closed.
10. Closed findings are **removed** from the audit register.

A summary of the audit register, included below, will illustrate the trend of actions that have been added, progressed, and completed.

The blue row represents actions added by the ARIC. New audit findings presented to the current meeting are included at the subsequent meeting, following acceptance.

The green row represents actions closed by the ARIC and will always total 0 for the current meeting date. The closed actions from the current meeting will then be shown in the “closed by the Audit, Risk & Improvement Committee” total in the subsequent meeting’s table summary.

Status of Actions	ARIC - Meeting Date: 12.05.26										
	02/2024	05/2024	08/2024	11/2024	02/2025	05/2025	08/2025	11/2025	03/2026	05/2026	TOTAL
New actions added by ARIC	1	0	7	0	3	0	5	0	5	4	24
Not commenced ≤10%	0	0	0	0	0	0	0	0	0	0	0
Progressed >11% to 99%	1	1	8	8	11	11	16	16	20	4	24
Completed =100%	7	0	0	0	0	0	0	0	10	0	17
Total cumulative closed by ARIC	7	7	7	7	7	7	7	7	17	17	17

The committee is requested to recommend to Council that Council note the progress and Officer comments.

It is requested to note the audit register progress report in **confidential** **attachment (i)**.

ITEM 8 STANDING ITEMS – CONTROLS, SYSTEMS AND PROCEDURES

8.1 Report on Excess Annual Leave and Long Service Leave Entitlements

Responsible Officer	Nic Warren, Chief Executive Officer
Reporting Officer	Tricia Brown, Executive Manager, Corporate Services
Attachments	Nil
Voting Requirements	Simple Majority
Disclosure of Interest	Reporting Officer: Nil Responsible Officer: Nil

COMMITTEE RESOLUTION: ARIC 028-25/26

Moved: Cr TJ Stacey
Seconded: Cr BR Cowcill

That the Audit, Risk & Improvement Committee recommends to Council that Council receive the report on the Shire's leave liabilities.

FOR: Mrs T Fraser and Crs TJ Stacey, JC Hayes, BR Cowcill, SL Hadlow and KS Squiers

AGAINST: Nil

CARRIED 6/0

IN BRIEF

- Not taking a reasonable amount of annual leave or long service leave may pose a threat to the health and safety of employees and represent a significant financial liability for the Shire, therefore there are steps in place to ensure that leave balances are monitored and are at appropriate levels.
- Employee entitlement movements during the year are due to many reasons, such as, leave taken during the period, increased accrued leave balances, increases in remuneration rates and changes in the underlying staff with leave balances transferred to and from the Shire.

MATTER FOR CONSIDERATION

Receipt of the report on excess annual leave and long service leave entitlements and leave liabilities up to the last payroll in April 2026.

BACKGROUND

The current Leave Management Policy defines "excess leave" as when the employee has accrued more than eight weeks paid annual leave and provides management with direction to effectively manage the annual and long service leave entitlements of employees.

The Shire encourages employees to take leave by reinforcing the positive benefits of taking leave when it becomes due. Sometimes there are circumstances that prevent leave being able to be taken, such as staff shortages, outside influences and work demands.

There will be movements in employee entitlements throughout the year. Balances will increase naturally as employees accrue leave entitlements and decrease when employees take leave accrued. This natural fluctuation is monitored by management and through this report to ensure any excess is managed appropriately.

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Work Health & Safety Act 2020

Minimum Conditions of Employment Act 1993

POLICY IMPLICATIONS

Leave Management Policy

FINANCIAL IMPLICATIONS

The Employee Entitlements (Annual and Long Service Leave) reserve fund cash balance as of 30 April 2026 is $185,537.98.

The current liability for both types of leave (if all claimed on 30/04/2026) is calculated at $94,115.58.

Alignment with Strategic Priorities

5.3 **Governance & Leadership**: Provide informed and transparent decision making that, meets our legal obligations, and the needs of our diverse community

5.4 **Governance & Leadership**: Implement systems and processes that meet legislative and audit obligations

CONSULTATION

Nil

RISK MANAGEMENT PRIORITIES

This report addresses the following identified Strategic Risk Management Priorities:

Non-compliance with work health and safety legislation increases the risk and potential liability to the public, staff and Councillors.

1.1 Infrastructure and Operational Risks: Workforce Challenges and Skills Shortage

RISK ASSESSMENT

	Option 1
Financial	Low *Financial exposure and therefore risk escalation occurs if leave accruals are not monitored and managed. Adequate reserve balances reduce the risk of financial exposure.*
Health	Low
Reputation	Low

Operations	Low *Impact to operations where employees with excess leave are requested to take leave. This can be mitigated by agreement of mutually acceptable timeframes for taking leave that are not during heavy workload times.*
Natural Environment	Low

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Possible	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quartely senior management review	HIGH Quarterly senior management review
Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

COMMENT

This report has been prepared to inform the Audit, Risk & Improvement Committee of the current leave liabilities and of any employees who have excess leave and the steps taken to reduce these liabilities.

As of 30 April 2026, there has been a large decrease in the annual leave liabilities accrued over a period of 12 months.

As of 30 April 2026, one staff member remains eligible for Long Service Leave entitlements.

Annual Leave:

There are currently no employees over and above the accepted level of excess annual leave. One (1) employee will reach the threshold in the month of May if leave is not reduced.

There has only been 28.24% decrease (dollar value) in the annual leave liability for the 12 months since April 2025.

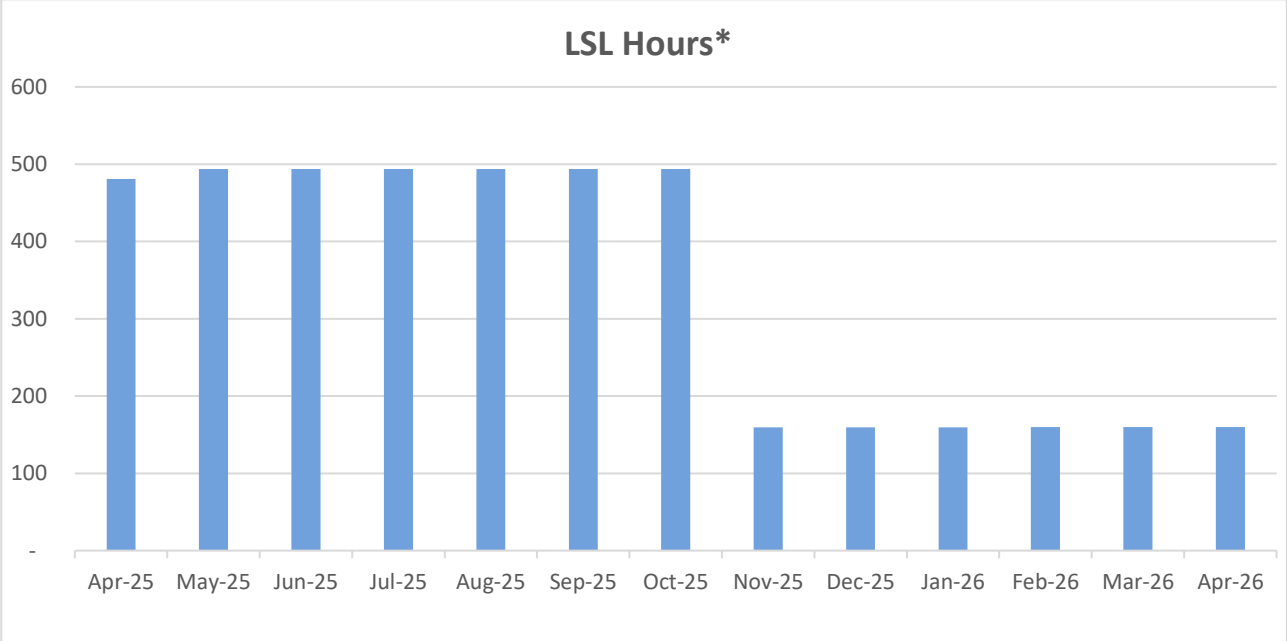
Long Service Leave:

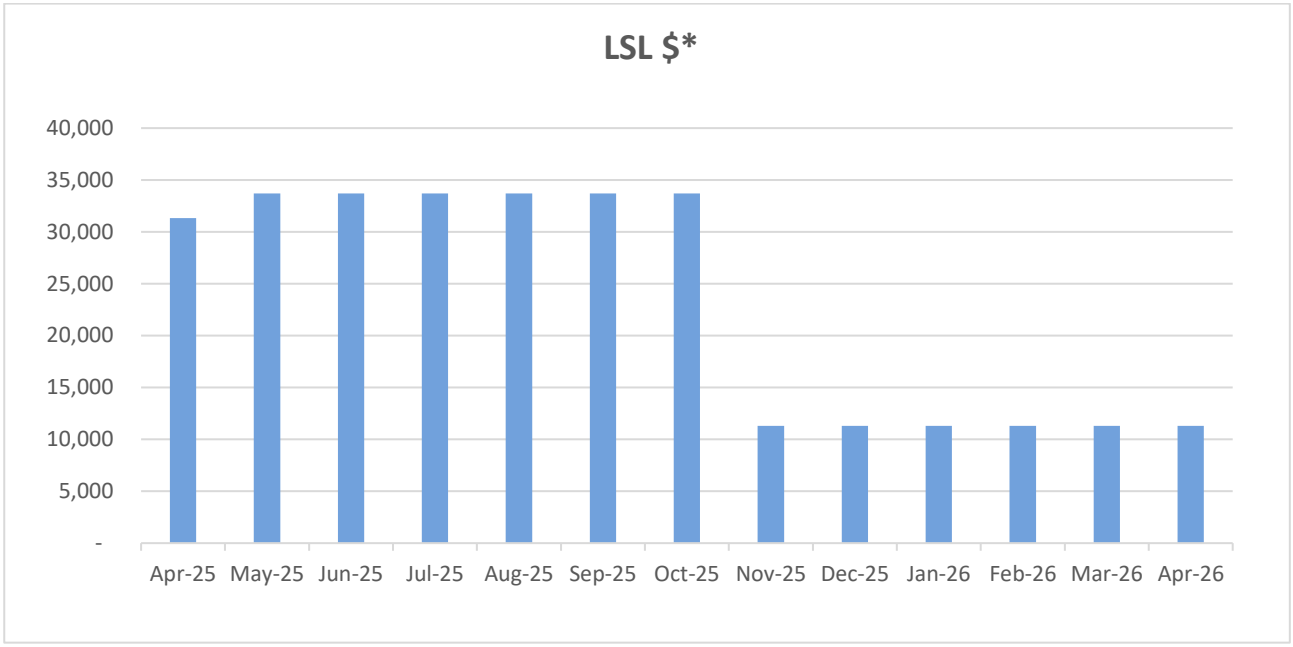
Only one staff member at 30 April 2026 has Long Service Leave entitlements of 160 hours.

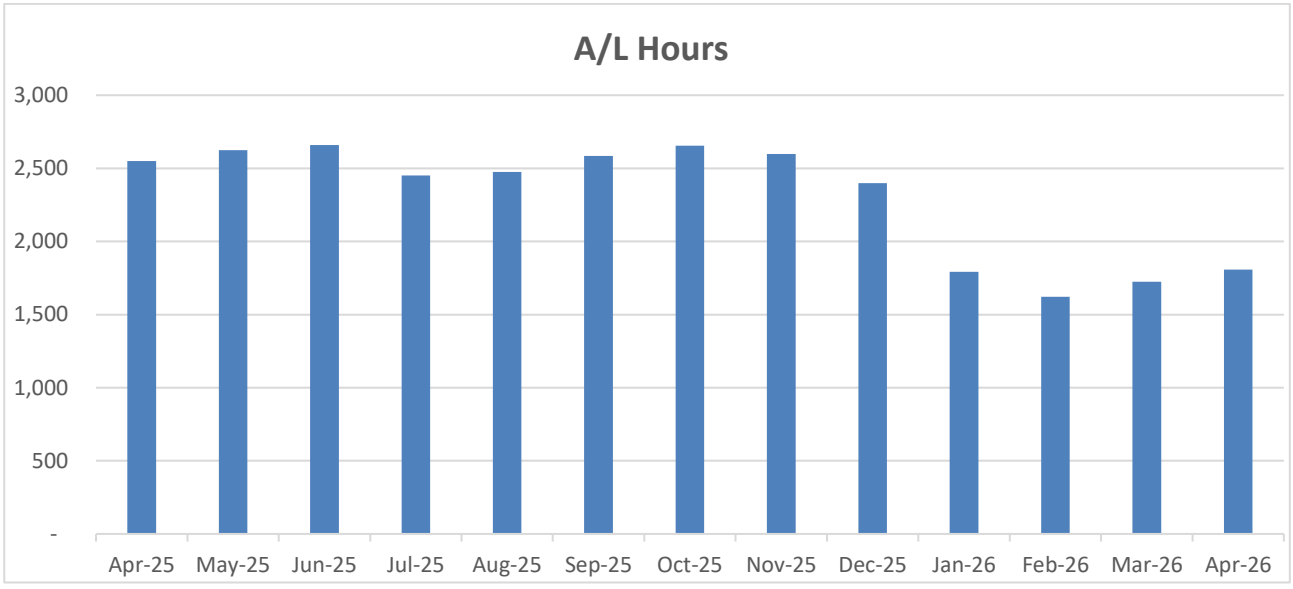
There has been a decrease of 63.92% (dollar value) in the long service leave liability for the 12 months since April 2025.

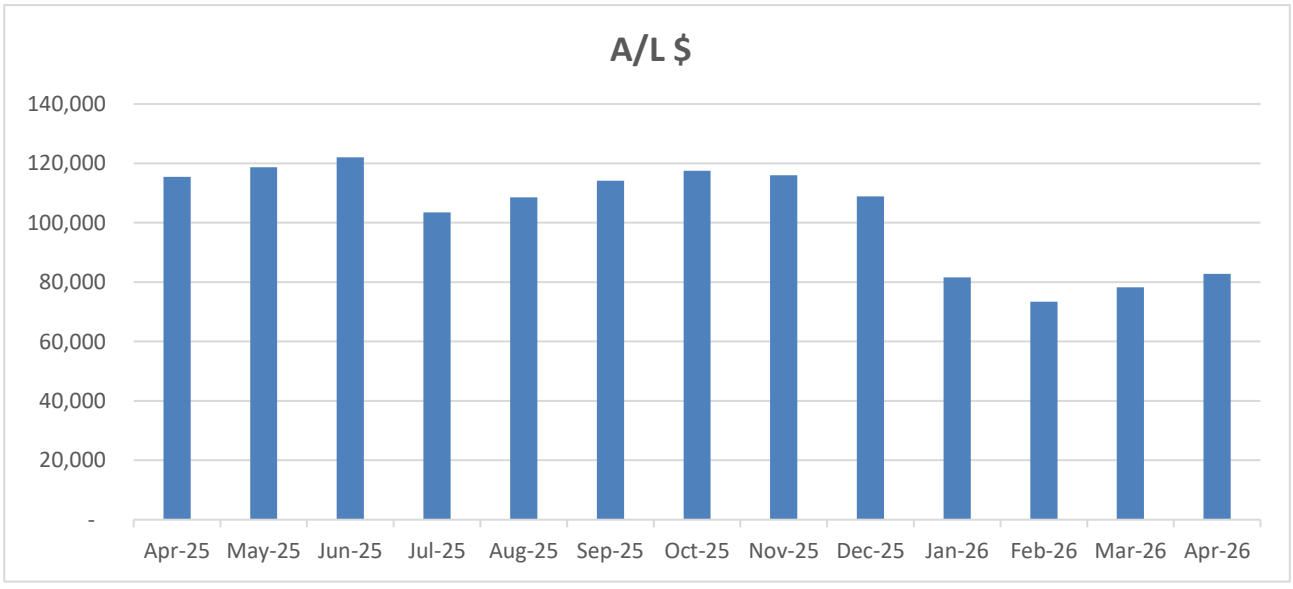
The following table and graphs show the fluctuations in the accrued hours and dollar values of both annual leave and long service leave over the period of April 2025 to April 2026.

	LSL Hours	LSL $	A/L Hours	A/L $
April 2025	481	31,325	2,549	115,418
May 2025	494	33,716	2,625	118,680
June 2025	494	33,716	2,658	122,053
July 2025	494	33,716	2.451	103,482
August 2025	494	33,716	2,475	108,599
September 2025	494	33,716	2,585	114,201
October 2025	494	33,716	2,655	117,548
November 2025	160	11,303	2,598	116,052
December 2025	160	11,303	2,399	108,944
January 2026	160	11,303	1,791	81,570
February 2026	160	11,303	1,621	73,464
March 2026	160	11,303	1,725	78,229
April 2026	160	11,303	1,808	82,813




LSL $*
40,000
35,000
30,000
25,000
20,000
15,000
10,000
5,000
-
Apr-25
May-25
Jun-25
Jul-25
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26


A/L Hours
3,000
2,500
2,000
1,500
1,000
500
-
Apr-25
May-25
Jun-25
Jul-25
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26


A/L $
140,000
120,000
100,000
80,000
60,000
40,000
20,000
-
Apr-25
May-25
Jun-25
Jul-25
Aug-25
Sep-25
Oct-25
Nov-25
Dec-25
Jan-26
Feb-26
Mar-26
Apr-26

8.2 Risk Management Dashboard May 2026

Responsible Officer Nic Warren, Chief Executive Officer

Reporting Officer Tricia Brown, Executive Manager, Corporate Services

Attachments 1. Attachment (i) Risk Management Dashboard ⇩

Voting Requirements Simple Majority

Disclosure of Interest Reporting Officer: Nil

Responsible Officer: Nil

COMMITTEE RESOLUTION: ARIC 029-25/26

Moved: Cr JC Hayes
Seconded: Cr TJ Stacey

That the Audit, Risk & Improvement Committee recommend to Council that Council receive the Risk Management Dashboard - Attachment [i].

FOR: Mrs T Fraser and Crs TJ Stacey, JC Hayes, BR Cowcill, SL Hadlow and KS Squiers

AGAINST: Nil

CARRIED 6/0

IN BRIEF

The Risk Management Dashboard is being submitted to the Audit, Risk & Improvement Committee as per the Risk Register.

MATTER FOR CONSIDERATION

That the Audit, Risk & Improvement Committee recommend to Council to receive the Risk Management Dashboard and any updates.

BACKGROUND

The Shire of Quairading Council recognises that Risk Management is an integral part of good governance and management practice.

The new Risk Register reflects a more organised, detailed and resource-oriented approach, consolidating related risks and enhancing clarity in risk management and mitigation strategies.

Based on the risk ratings provided in the Risk Register Matrix the dashboard reports on identified risks on the following:

1. Risk # 1, Workforce Challenges and Skills Shortage
2. Risk # 2, Power Supply Reliability and Emergency Response
3. Risk # 3, Road and Infrastructure Maintenance
4. Risk # 4, Community Health & Safety Risks
5. Risk # 5, Healthcare Service Stability
6. Risk # 6, Natural and Man-Made Disasters
7. Risk # 7, Financial Viability and Asset Management

8. Risk # 8, Cybersecurity and Data Protection
9. Risk # 9, Organisational Misconduct
10. Risk # 10, Housing Availability and Affordability
11. Risk # 11, Social Challenges and Community Expectations

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Financial Management) Regulations 1996

Work Health & Safety Act 2020

Local Government (Administration) Regulations 1996

Local Government (Audit) Regulations 1996

POLICY IMPLICATIONS

Risk Management Policy

Work Health & Safety Policy

FINANCIAL IMPLICATIONS

There are no financial implications with the review and update of this document.

ALIGNMENT WITH STRATEGIC PRIORITIES

5.3 **Governance & Leadership**: Provide informed and transparent decision making that, meets our legal obligations, and the needs of our diverse community

5.4 **Governance & Leadership**: Implement systems and processes that meet legislative and audit obligations

CONSULTATION

Risk management Workshop with Council and the Executive Management Team.

RISK MANAGEMENT PRIORITIES

This report addresses the following identified Strategic Risk Management Priorities:

3.1 Governance, Financial and Compliance Risks: Financial Viability and Asset Management

3.2 Governance, Financial and Compliance Risks: Cybersecurity and Data Protection

3.3 Governance, Financial and Compliance Risks: Organisational Misconduct

1.1 Infrastructure and Operational Risks: Workforce Challenges and Skills Shortage

1.2 Infrastructure and Operational Risks: Power Supply Reliability and Emergency Response

1.3 Infrastructure and Operational Risks: Road Infrastructure and Maintenance

2.1 Community Health and Safety Risks: Workplace Health and Safety Compliance

2.2 Community Health and Safety Risks: Healthcare Service Stability

2.3 Community Health and Safety Risks: Natural and Man-Made Disasters

4.1 Strategic, Social and Economic Risks: Housing Availability and Affordability

4.2 Strategic, Social and Economic Risks: Social Challenges and Community Expectations

RISK ASSESSMENT

	Option 1
Financial	Low *There are no financial implications regarding reviewing this Risk Management Dashboard.*
Health	Low *This Risk Management Dashboard aligns with the Shire's overarching Risk Management documents, showing the Shire's commitment to risk mitigation, which encompasses staff, Councillors, contractors, visitors and the public's safety.*
Reputation	Low *Having a well aligned Risk Management Governance Framework is essential to ensure a cohesive and comprehensive approach to Risk Management.*
Operations	Low *This Risk Management Dashboard needs to be reviewed biennially.*
Natural Environment	Low

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Possible	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quartely senior management review	HIGH Quarterly senior management review
Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

COMMENT

The Risk Management Dashboard will continue to be reported to the Audit, Risk & Improvement Committee and Council 4 times per year.

The Risk Management Dashboard is designed to update the Audit, Risk & Improvement Committee on current operational actions being taken by EMT and their business units.

Actions are continually being undertaken to mitigate levels of acceptable risk, whether through planning, allocation of resources, training or identifying risks.

COMMITTEE COMMENTS

Cr Stacey noted that an expansion to the doctor's surgery was not currently included in the Shire's Longterm Financial Plan and asked when a review of the document would occur to potentially make that amendment.

The CEO responded that the review of the LTFP would occur following Council's adoption of the new combined Strategic Community and Corporate Business Plans which is planned for this month.

Cr Stacey asked for clarification on the acronym "BMO". This stands for Building Maintenance Officer.

8.3 Business Continuity Management Framework Review

Responsible Officer Nic Warren, Chief Executive Officer

Reporting Officer Marion Haeusler, Manager of Governance

Attachments
1. Business Continuity Management Policy (DRAFT) ⇩
2. Business Continuity Management Policy (DRAFT) - tracked changes ⇩
3. Business Continuity Management Procedure Manual (DRAFT) ⇩
4. Business Continuity Management Incident Response Plan (DRAFT) ⇩
5. Business Continuity Management Incident Response Plan (DRAFT) - tracked changes ⇩

Voting Requirements Simple Majority

Disclosure of Interest Reporting Officer: Nil

Responsible Officer: Nil

COMMITTEE RESOLUTION: ARIC 030-25/26

Moved: Cr BR Cowcill
Seconded: Cr JC Hayes

That the Audit, Risk & Improvement Committee recommend to Council that Council endorse the review of the Business Continuity Management Framework, comprising of the Business Continuity Management Policy [Attachment 1], Procedure Manual [Attachment 3] and Incident Response Plan [Attachment 4].

FOR: Mrs T Fraser and Crs TJ Stacey, JC Hayes, BR Cowcill, SL Hadlow and KS Squiers

AGAINST: Nil

CARRIED 6/0

IN BRIEF

Business continuity is defined as the capability of an organisation to continue the delivery of critical activities and services at acceptable predefined levels following a disruptive incident.

Officers have reviewed the Business Continuity Management Framework as a whole for Committee consideration to ensure a consistent approach to business continuity across the Shire.

MATTER FOR CONSIDERATION

The Shire of Quairading routinely reviews its Policies and strategic documents on a biennial basis, as prescribed, or when necessary. Policies are reviewed against Shire processes and procedures, changes in legislation, and for clarity of wording.

Officers have combined the “Objective” and “Policy Statement” sections of the Business Continuity Management Policy to clarify its purpose and updated references to current AS/NZS and ISO Standards.

The Incident Response Plan (BCMP) has been updated for relevance of staff contact information and removal of staff members' private contact numbers. Section 3.4 was updated for title of responsible staff member, and activity description and occurrence.

No changes are recommended for the Business Continuity Management Procedure Manual.

BACKGROUND

Disruptive incidents come in varying types, sizes and with varying impacts. Business continuity planning is a key component of responding to those incidents to ensure as little impact to service and project delivery that is reasonably practicable, depending on the severity of the event.

Events that have potential to affect business continuity could be environmental (e.g. natural disaster) or accidental/intentional human factors (e.g. IT data breach, damage to plan or equipment, loss of key staff). The event could occur suddenly or happen over a period of time.

The Shire defines a business continuity event as an incident that could result in:

- The inability to use or access the Administration Building, Shire Depot or CRC for more than 1 day.
- The inability to access or use IT systems or applications for more than 1 day.
- Not having enough staff to perform critical activities for more than 1 day.
- A key supplier/contractor being unable to perform core services on behalf of the Shire for more than 1 day.

Local governments must build an effective response to any disruptive incident through business continuity planning. Business continuity is defined as the capability of an organisation to continue the delivery of critical activities and services at acceptable predefined levels following a disruptive incident. The Shire provides vital services to the community. If different areas of the Shire are not operational it has the potential to affect not only Shire operations, but the whole community.

A business continuity management program includes:

- Establishing the business continuity policy and program.
- Analysing the activities and services to determine what is time critical.
- Designing the business continuity strategy and requirements.
- Implementing the business continuity action plan.
- Validating the business continuity plans, capabilities and assumptions.

Successful business continuity management requires our local government to commit to raising awareness and implementing sound approaches to building resilience. The importance of becoming a resilient organisation is integral to contemporary management practices and is an essential component of good public sector governance.

Business continuity management is part of an effective risk management program and must be closely aligned to incident management, emergency response and IT disaster recovery. Business continuity plans will be customised to reflect our priorities, stakeholder expectations and any existing capabilities.

The Shire of Quairading's Business Continuity Management Framework comprises:

- Business Continuity Management Policy
- Business Continuity Management Procedure Manual

- Business Continuity Management Incident Response Plan

Related documents are:

- Risk Management Framework, policies and procedures
- Local Emergency Management Arrangements (LEMA)
- ICT Disaster Recovery Plan.

Council officers have reviewed the Business Continuity Management Framework to ensure a consistent approach to business continuity across the Shire.

Business Continuity Management Policy – Attachment [1 and 2]

The Policy defines the Shire's approach to business continuity management and has been developed in conjunction with the Shire's Risk Management Framework.

Business Continuity Management Procedure Manual – Attachment [3]

This manual is designed to provide the process, information and tools required to ensure the Shire of Quairading has a robust and effective Business Continuity Management Plan (BCMP). It has been developed to ensure a clear, standardised and consistent approach to business continuity across the Shire.

Business Continuity Management Incident Response Plan – Attachment [4 and 5]

This document is to be used at the time of an adverse situation or event when business continuity is affected. It contains checklists to ensure all processes are followed during an event, appropriate personnel and businesses are notified at the time of the event and also contains the process to follow in the recovery after the event.

STATUTORY ENVIRONMENT

Local Government Act 1995

POLICY IMPLICATIONS

Business Continuity Management Policy

FINANCIAL IMPLICATIONS

These Business Continuity Management documents are designed to minimise any financial loss to the Shire as reasonably practicable.

Cost may be incurred for the continual improvement of business resiliency measures and testing of both operational and IT related events.

ALIGNMENT WITH STRATEGIC PRIORITIES

5.3 **Governance & Leadership**: Provide informed and transparent decision making that, meets our legal obligations, and the needs of our diverse community

5.4 **Governance & Leadership**: Implement systems and processes that meet legislative and audit obligations

5.1 **Governance & Leadership**: Shire communication is consistent, engaging and responsive

1.5 **Community**: Support emergency services planning, risk mitigation, response and recovery

CONSULTATION

Nil

RISK MANAGEMENT PRIORITIES

This report addresses the following identified Strategic Risk Management Priorities:

1.1 Infrastructure and Operational Risks: Workforce Challenges and Skills Shortage

1.3 Infrastructure and Operational Risks: Road Infrastructure and Maintenance

2.1 Community Health and Safety Risks: Workplace Health and Safety Compliance

2.2 Community Health and Safety Risks: Healthcare Service Stability

2.3 Community Health and Safety Risks: Natural and Man-Made Disasters

3.1 Governance, Financial and Compliance Risks: Financial Viability and Asset Management

3.2 Governance, Financial and Compliance Risks: Cybersecurity and Data Protection

3.3 Governance, Financial and Compliance Risks: Organisational Misconduct

4.2 Strategic, Social and Economic Risks: Social Challenges and Community Expectations

RISK ASSESSMENT

	Option 1
Financial	High *Without a Business Continuity Plan the Shire could face financial loss due to business down time and damages to property.* *If an adverse event occurs and there is significant loss, damage or injury with no plans in place, Council and management could be personally liable.* *Cost may be incurred for different areas of business continuity, such as IT renewal.*
Health	High *If there is an adverse event that is not acted on appropriately there is a higher chance of physical or psychological injury to employees or the community.*
Reputation	High *The Shire provides vital services to the community. It would be the expectation of the public that even though there may be a major incident, the Shire should be able to communicate information and updates effectively, demonstrate a coordinated approach to the situation and still be able to carry out critical services as soon as reasonably practicable.*

Operations	High *Without an effective and up-to-date Business Continuity Management Plan, the Shire is at high risk of an adverse event affecting service and project delivery.* *Council must ensure appropriate communication to the community in the event of the Administration Building not being operational and must make all efforts to restore accessibility of Council services as quickly as possible.*
Natural Environment	N/A

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Possible	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quartely senior management review	HIGH Quarterly senior management review
Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

COMMENT

Nil.

COMMITTEE COMMENTS

Crs requested edits to the BCMP where it refers to Andy Marnham as the current Mechanic and to the Co-op Supermarket as 'IGA' rather than 'Foodworks'.

Cr Stacey asked how and how often contact details are updated in the document. The CEO responded that the contact details should be updated whenever required. Currently, Officers are reliant on anecdotal information from community for this but with better responsibility alignment through workforce planning, keeping this type of information current will be incorporated into an officer roles and responsibilities.

8.4 Fraud and Corruption Control Policy

Responsible Officer Nic Warren, Chief Executive Officer

Reporting Officer Nic Warren, Chief Executive Officer

Attachments 1. Fraud and Corruption Policy ⇩

Voting Requirements Simple Majority

Disclosure of Interest Reporting Officer: Nil

Responsible Officer: Nil

COMMITTEE RESOLUTION: ARIC 031-25/26

Moved: Cr JC Hayes
Seconded: Cr BR Cowcill

That the Audit, Risk & Improvement Committee recommend to Council that Council adopt the Fraud and Corruption Control Policy, as presented.

FOR: Mrs T Fraser and Crs TJ Stacey, JC Hayes, BR Cowcill, SL Hadlow and KS Squiers

AGAINST: Nil

CARRIED 6/0

IN BRIEF

As part of the Chief Executive Officers review of systems and procedures as required under Regulation 17 of the *Local Government (Audit) Regulations 1996* a recommendation was for Council to adopt a Fraud and Corruption Control Policy.

MATTER FOR CONSIDERATION

Adoption of a Fraud and Corruption Control Policy, as attached.

BACKGROUND

The purpose of the Fraud and Corruption Control Policy is to articulate the Shire of Quairading's approach to minimising and preventing fraud and corruption risks.

The Policy applies to all Shire Elected Members, employees, contractors, and volunteers.

The Shire has zero tolerance for fraud or corruption. The Shire is committed to demonstrating professional behaviour consistent with the Shire's values and operating in an environment of openness, probity and accountability in all aspects of Shire activities.

The policy details:

- Roles and responsibilities
- Prevention
- Detection
- Response

- Reporting

The reporting section includes details of who should report fraud and corruption and the avenues to do so, it also endeavours to ensure anyone reporting fraud or corruption is protected from reprisal.

By implementing this policy, it strengthens the Shire's fraud and corruption controls.

STATUTORY ENVIRONMENT

Local Government Act 1995

Corruption, Crime and Misconduct Act 2003

Public Interest Disclosure Act 2003

POLICY IMPLICATIONS

Employee Code of Conduct

Grievance Policy

Bullying, Harassment & Diversity Policy

Code of Conduct for Elected Members, Committee Members & Candidates v0426

Equal Employment Opportunity Management Plan

FINANCIAL IMPLICATIONS

Nil

ALIGNMENT WITH STRATEGIC PRIORITIES

5.4 Governance & Leadership: Implement systems and processes that meet legislative and audit obligations

CONSULTATION

Nil

RISK MANAGEMENT PRIORITIES

This report addresses the following identified Strategic Risk Management Priorities:

3.3 Governance, Financial and Compliance Risks: Organisational Misconduct

RISK ASSESSMENT

	Option 1
Financial	High *Fraud and corruption pose a critical risk to the Shire financials, strong controls minimise these risks to Council.*
Health	High *Impact on health of employees, Councillors due to fraud or corruption issues within organisation. Strong controls minimise these risks.*
Reputation	High

	Fraud or corporation poses a significant risk to the organisations reputation, String controls minimises the risk and shows best practice.
Operations	High *Fraud or corruption may result in interruptions to operations due to limiting funds, impacting plant/equipment, ability to engage contractors, payment of staff. Strong controls minimises this risk.*
Natural Environment	Nil

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Possible	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quartely senior management review	HIGH Quarterly senior management review
Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

COMMENT

Nil.

ITEM 9 STANDING ITEMS – RISK MANAGEMENT REPORTS AND ISSUES

9.1 Regulation 17 Review - 2026

Responsible Officer Nic Warren, Chief Executive Officer

Reporting Officer Nic Warren, Chief Executive Officer

Attachments 1. Shire of Quairading - Regulation 17 Review - 2026 ⇩

Voting Requirements Simple Majority

Disclosure of Interest Reporting Officer: Nil

Responsible Officer: Nil

COMMITTEE RESOLUTION: ARIC 032-25/26

Moved: Cr TJ Stacey
Seconded: Cr KS Squiers

That the Audit, Risk & Improvement Committee:

1. Notes the review undertaken by the Chief Executive Officer of the systems and procedures in place in relation to financial management; legislative compliance and risk management.
2. Notes the Chief Executive Officers opinion that the systems and procedures in place are generally appropriate and effective.
3. Noting that all 2024 financial management review non-operational recommendations have been adequately considered and addressed, endorse the 2024 Financial Management Review - Summary of Observations and Recommendations register being deemed as adequately considered and addressed and endorse its removal from future agendas, noting future identified areas of strategic risk can be tabled in the Risk Dashboard.
4. Supports the adoption of a Fraud and Corruption Management Policy.
5. Considers a formal work schedule for the quarterly Audit Risk and Improvement Committee meetings.
6. Supports the CEO recommendation that as part of the work schedule; the periodic review of the Strategic Risk Register should be included to ensure alignment with changes to risks to the organisation and ensure Committee members have suitable input.
7. Supports the CEO recommendation that Shire policies relating to financial and risk management are continually reviewed to ensure they align with legislative requirements and best practice, where practicable.
8. Notes the CEO observation that the Audit Risk and Improvement Committees Terms of Reference are required to be updated.

Continued on next page….

AND

That the Audit, Risk and Improvement Committee recommend to Council that Council:

1. Notes the review undertaken by the Chief Executive Officer of the systems and procedures in place in relation to financial management; legislative compliance and risk management.
2. Notes the Chief Executive Officers opinion that the systems and procedures in place are generally appropriate and effective.
3. Adopts a Fraud and Corruption Management Policy.

FOR: Mrs T Fraser and Crs TJ Stacey, JC Hayes, BR Cowcill, SL Hadlow and KS Squiers

AGAINST: Nil

CARRIED 6/0

IN BRIEF

As per Regulation 17(1), (2) and (3) of the *Local Government (Audit) Regulations* 1996, the Chief Executive Officer of a Local Government is required to undertake a review of the appropriateness and effectiveness of the local government's systems and procedures, at least once every 4 financial years. The following Local Government areas are required to be reviewed:

- Financial management.
- Legislative compliance.
- Risk management.

The Shire of Quairading last tabled a Regulation 17 review with the then Audit and Risk Committee in 2019, raising a current non-compliance with the previous three-year cycle requirement and now four-year cycle requirement under the Regulations.

MATTER FOR CONSIDERATION

Chief Executive Officers review of appropriateness and effectiveness of the systems and procedures within the Shire in relation to:

- Financial management.
- Legislative compliance.
- Risk management.

BACKGROUND

The CEO undertook the Regulation 17 review inhouse, relying on existing internal and external audit reports and input from Executive Management and relevant staff members.

Financial management

In addressing the financial management requirement of the review, an external audit undertaken by Source Business Partners in December 2024, within the four-year window, has been utilised.

Legislative compliance

The annual Compliance Audit Return (CAR) is the primary assessment tool used to review the appropriateness and effectiveness of the Shire's legislative compliance processes.

The establishment of proper complaints policies and registers including gift policies and registers is also to be reviewed.

Assessing whether Local Government Act and Regulation requirements are continually monitored and regularly reviewed to ensure continual compliance was also considered.

Risk management

The review of the appropriateness and effectiveness of the Shire's Risk Management systems and procedures utilised an Internal Strategic Risk report, facilitated by an external consultant, undertaken in 2024, in addition to a current review of the Shire's risk management framework.

STATUTORY ENVIRONMENT

Local Government Act 1995

Local Government (Audit) Regulations 1996

Local Government (Financial Management) Regulations 1996

POLICY IMPLICATIONS

Business Continuity Management Policy

Code of Conduct for Elected Members Committee Members and Candidates

Employee Code of Conduct

FINANCIAL IMPLICATIONS

Nil

ALIGNMENT WITH STRATEGIC PRIORITIES

5.4 Governance & Leadership: Implement systems and processes that meet legislative and audit obligations

CONSULTATION

Consultation with Executive Staff where required.

RISK MANAGEMENT PRIORITIES

This report addresses the following identified Strategic Risk Management Priorities:

3.1 Governance, Financial and Compliance Risks: Financial Viability and Asset Management

RISK ASSESSMENT

	Option 1
Financial	Poor financial management systems and procedures. *Review identified systems and procedures are generally appropriate and effective.*

Health	Nil
Reputation	Reputational risks due to poor systems and procedures. *Review determined systems and procedures generals appropriate and effective.*
Operations	Nil
Natural Environment	Nil

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Possible	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quartely senior management review	HIGH Quarterly senior management review
Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

COMMENT

The Regulation 17 review report is attached and details the Chief Executive Officer's review of the Shire's systems and procedures as required under the Local Government (Audit) Regulations 1996.

COMMITTEE COMMENTS

Crs asked whether there should be more direct oversight from Councillors or the ARIC on statutory reviews, possibly in the form of a spreadsheet.

The CEO explained that this information can be made available to Crs but realistically falls within the operational responsibilities of the CEO and compliance should be evaluated through the annual Compliance Audit Return and in line with the CEO's performance review.

Officers explained some background to the previously missed deadline and CEO assured that measures are being taken to ensure that statutory events that are not annual occurrences aren't being overlooked.

9.2 Banking Authorisation Incident

Responsible Officer	Nic Warren, Chief Executive Officer
Reporting Officer	Nic Warren, Chief Executive Officer
Attachments	Nil
Voting Requirements	Simple Majority
Disclosure of Interest	Reporting Officer: Nil Responsible Officer: Nil

COMMITTEE RESOLUTION: ARIC 033-25/26

Moved: Cr BR Cowcill
Seconded: Cr JC Hayes

That the Audit, Risk & Improvement Committee note the Chief Executive Officers report into the Banking Authorisation incident and support the actions taken to address.

FOR: Mrs T Fraser and Crs TJ Stacey, JC Hayes, BR Cowcill, SL Hadlow and KS Squiers

AGAINST: Nil

CARRIED 6/0

IN BRIEF

Upon the Chief Executive Officer (CEO) being onboarded and provided authorisation to the Shire's Westpac Bank accounts, it was identified the CEO was provided senior approver authority, meaning payments could be made without a co-approver.

This report details the incident and the actions taken to address with recommendations to ensure this does not occur in the future.

MATTER FOR CONSIDERATION

Noting the Chief Executive Officers report into the Banking Authorisation incident and support the actions taken to address.

BACKGROUND

The Shire's current Chief Executive Officer (CEO), Mr Nic Warren, commenced with the Shire of Quairading (Shire) on the 4th February 2026. As part of the CEO's onboarding, access to the Shire's banking account was arranged.

On the 26th February 2026 the CEO was processing the weekly creditors payment, when the incident occurred as follows:

- The Finance/Customer Services Officer compiled and uploaded the creditors run as per normal into Westpac at 12:39pm AEST.
- Normally, any payment from the Shire's Westpac accounts requires two approvers.

- After checking the creditors run documentation, the CEO approved the payment in Westpac at 1:46pm AEST as per normal, as the first approver.
- The CEO then provided the documentation to the Manager of Governance to process as the second approver. It was noted the payment was not sitting in Westpac waiting for the second approval and investigation showed after the CEO's approval, the payment had been processed.
- After then checking the CEO's account user access details, it was noted that the CEO had been set up in the system as a Senior Approver, which provides the ability for payments to be made without a co-approver.
- As such the creditors run payment on the 26/02/2026 had only one authorisation for payment from the CEO.
- The Manager of Governance checked over the payment documentation as would normally occur.
- To eliminate the risk being a senior approver poses to the organisation, the CEO sought the Manager of Governance to suspend the CEO's account access until such time as the senior approver access can be removed.
- The only way to add or remove senior approver access is by Westpac via completion of a standard form, this has since been undertaken and CEO access reinstated.
- Other staff with access to Westpac also had their access reviewed to ensure there were no other Senior Approver's.

In investigating how this matter occurred, discussions with relevant senior staff indicated that a senior approver form had been sub mitted for the CEO. Whilst this is the incorrect form, the same form had been utilised for previous Senior staff and it did not result in those staff gaining senior approver status.

The Executive Manager Corporate Services enquired with local bank staff why the Senior Approver form for other senior staff did not result in them gaining senior approval status, to which the bank have been unable to advise.

To ensure this does not occur again in the future, an operational procedure has been developed to detail the correct procedure for onboarding staff members onto the Shire's Westpac accounts as either an "Administrator", "Approver" or "User" and explicitly prohibits any person gaining senior approver status. The procedure also requires dual independent (ie not the user) checks of process.

STATUTORY ENVIRONMENT

Nil

POLICY IMPLICATIONS

Nil

FINANCIAL IMPLICATIONS

Nil

ALIGNMENT WITH STRATEGIC PRIORITIES

5.4 Governance & Leadership: Implement systems and processes that meet legislative and audit obligations

CONSULTATION

Nil

RISK MANAGEMENT PRIORITIES

This report addresses the following identified Strategic Risk Management Priorities:

3.3 Governance, Financial and Compliance Risks: Organisational Misconduct

RISK ASSESSMENT

	Option 1
Financial	Incorrect account access exposes the organisation to risk of fraud. *Procedure ensures correct authorisation is provided.*
Health	Nil
Reputation	Nil
Operations	Nil
Natural Environment	Nil

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Possible	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quartely senior management review	HIGH Quarterly senior management review
Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

COMMENT

Nil

9.3 Quairading Waste Site - Facility Risk Review (LGIS)

Responsible Officer	Nic Warren, Chief Executive Officer
Reporting Officer	Sarah Caporn, Executive Manager, Works & Services
Attachments	1. LGIS Report - Waste Facilities Risk Review - Shire of Quairading ⇩
Voting Requirements	Simple Majority
Disclosure of Interest	Reporting Officer: Nil Responsible Officer: Nil

COMMITTEE RESOLUTION: ARIC 034-25/26

Moved: Cr TJ Stacey
Seconded: Cr BR Cowcill

That the Audit, Risk & Improvement Committee notes the LGIS Waste Facilities Risk Review.

FOR: Mrs T Fraser and Crs TJ Stacey, JC Hayes, BR Cowcill, SL Hadlow and KS Squiers

AGAINST: Nil

CARRIED 6/0

IN BRIEF

LGIS (Local Government Insurance Scheme), who are the Shire's insurers, undertook a Risk Review of the Waste Facilities in September 2025.

The report is tabled to the Committee as pert Attachment 1 for information and to highlight matters that require Council's awareness and resourcing.

The LGIS Risk Review identifies risks at the site particularly around fire, emergency preparedness and hazardous materials management.

As many of the recommendations are operational, the suggested outcomes from this report are already being actioned by senior staff and site officers.

Staff are working towards prompt and visible action on the highest priority items that will significantly reduce Council's exposure and demonstrate sound governance with several of the recommendations already completed.

MATTER FOR CONSIDERATION

As a result of the LGIS inspection, there are 15 recommendations for consideration. These are provided in detail from page 12 in Attachment 1.

The main areas of weakness are around fire prevention, emergency preparedness and hazardous material management. This exposes Council to elevated operational, environmental, liability and insurance risks.

The report is tabled for the information of the Committee as the recommendations are being addressed at an operational level by senior staff and other Shire officers.

BACKGROUND

The Quairading Waste and Recycling Centre, operated by the Shire of Quairading, is the primary waste management facility serving the town and surrounding areas.

The facility is licensed to accept non-hazardous general solid waste, including:

- General waste: everyday domestic refuse;
- Green waste: vegetation from gardens and pruning;
- Batteries: Accepted batteries include household, power tool, farm, storage, phone, computer, button cells and those from electric/hybrid vehicles, e-bikes, buses and trucks;
- Waste oil: Motor oils and other lubricants;
- Recyclable materials: paper, cardboard, plastics and glass;
- E-waste: computers, accessories, televisions, electronic devices, lighting and lamps e.g., tube fluorescent lamps, LED products, household ceiling or desk light globes;
- Large appliances: home, office e.g., dishwasher, washing machines, air conditioner and white goods such as freezers;
- Tyre, mattresses, gas bottle and commercial quantities of waste; and
- Asbestos (prior notification is required).

Liquid waste, animal carcasses and PFAS-containing waste or equipment are not accepted or handled at the site.

The Shire conducts periodic green waste burn-offs. These activities are carried out usually during winter under the supervision of the CESM and trained outside staff.

STATUTORY ENVIRONMENT

Local Government Act 1995

Environmental Protection (Rural Landfill) Regulations 2002

POLICY IMPLICATIONS

Bushfire Policies and Procedures

Business Continuity Management Policy

FINANCIAL IMPLICATIONS

Council has the potential of the following financial exposure risks arising from the condition and management of the Waste Site:

Fire and asset loss costs

A major fire involving external waste stockpiles (tyres, oils, IBCs, batteries, gas cylinders) could result in significant damage to Council-owned infrastructure, mobile plant and stored materials.

Insurance impacts

The report notes insurers now regard waste facility fires as catastrophic events. Failure to address Very High and High priority recommendations could lead to higher premiums, increased excesses, coverage restrictions or difficulty in renewing insurance.

Clean-up and remediation costs

Inadequate bunding of oils and paints and poor hazardous material storage increases the risk of soil and groundwater contamination, exposing Council to clean-up, remediation and regulatory costs.

Business interruption

Lack of a Business Continuity Plan means a fire or serious incident could cause prolonged disruption to waste services, requiring costly alternative disposal arrangements.

ALIGNMENT WITH STRATEGIC PRIORITIES

4.3 **Natural Environment**: Demonstrate sustainable practices of water, energy and waste management

5.2 **Governance & Leadership**: Forward planning and implementation of plans to determine Strategic Plan and service levels

5.3 **Governance & Leadership**: Provide informed and transparent decision making that, meets our legal obligations, and the needs of our diverse community

5.4 **Governance & Leadership**: Implement systems and processes that meet legislative and audit obligations

CONSULTATION

LGIS Officers were accompanied during their visit by Sarah Caporn, Executive Manager of Works and Services and Regional Risk Coordinator Ms Lindy Lock.

RISK MANAGEMENT PRIORITIES

This report addresses the following identified Strategic Risk Management Priorities:

2.1 Community Health and Safety Risks: Workplace Health and Safety Compliance

2.3 Community Health and Safety Risks: Natural and Man-Made Disasters

RISK ASSESSMENT

Financial	EXTREME *Managing a waste site is important for the Shire to undertake for the community but it does come with significant costs.* *Staff have focused on clearing stockpiles of material but there is high and increasing cost to send recyclable materials to Perth for recovery by external providers.* *Any major incident at the Waste Site would incur significant remediation costs to rectify and recover from for people and the local environment.*
Health	HIGH *Should a fire enter the Waste Site, there may be significant health impacts to local community from burning waste, explosions and heavy smoke from hazardous materials.*

Reputation	MEDIUM *A fire, environmental incident or serious injury at the facility would attract negative community attention, particularly given the site's proximity to town and surrounding farmland.*
Operations	MEDIUM *A fire or serious incident could close the site temporarily or long-term, disrupting waste and recycling services for the Shire. Fire drills and response equipment that is not systematically tested (e.g. fire trailer), can increase the risk that equipment may fail during an incident*
Natural Environment	HIGH *The site is located in a bushfire-prone area, with native vegetation within 50 metres of tyre, oil and gas bottle stockpiles, heightening the risk of fire spreading off-site into bush, the townsite or surrounding landholdings.*

	Consequence				
Likelihood	Insignificant	Minor	Moderate	Major	Critical
Rare	LOW Accept the risk Routine management	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
Unlikely	LOW Accept the risk Routine management	LOW Accept the risk Routine management	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review
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Likely	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	HIGH Quarterly senior management review	EXTREME Monthly senior management review
Almost certain	MEDIUM Specific responsibility and treatment	MEDIUM Specific responsibility and treatment	HIGH Quarterly senior management review	EXTREME Monthly senior management review	EXTREME Monthly senior management review

COMMENT

While many recommendations from this report are operational, several will require strategic support and resourcing. Council will shortly consider a new Waste Management Strategy, with several proposed 2026/27 Budget items focused on further reducing operational risk at the Waste Site.

WASTE FACILITIES RISK REVIEW

Shire of Quairading

Quairading Waste and Recycling Centre

September 2025

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ABBREVIATIONS

AS/NZ	Australian/New Zealand Standard
BCP	Business Continuity Plan
ESIC	Emergency Services Information Container
EPS	Expanded Polystyrene
ERP	Emergency Response Plan
HV	Heavy Vehicle
IBC	Intermediate Bulk Container
MFL	Maximum Foreseeable Loss
OFI	Opportunity for Improvement
PFAS	Per- and Polyfluoroalkyl Substances
PPE	Personal Protective Equipment
SIMOPS	Simultaneous Operations

PURPOSE AND SCOPE

Background

Waste management is a broad and growing sector and has a significant number of different processes, technologies, and disposal solutions in place and under development. Over recent times, there have been a number of major fires associated with the operation of waste facilities, including landfill and waste treatment sites. These fires have in many cases had a detrimental impact on the environment, local community and the waste industry itself. From research, the potential fire size can be closely correlated with the nature of combustible waste materials being stored or processed, stockpiling arrangements, on-site fire safety systems and emergency response planning of the respective site. In addition to causing significant disruption to community services, these fires have also resulted in major financial consequences including major insurance claims.

Traditionally, the view of the insurance market has been that the risk of fire loss, although an inherent feature within the sector, is a remote and perhaps “one-off” event, which is unlikely to occur. However, as a result of both the number and scale of fire losses which have occurred recently, insurers are moving away from this position. The risk of fire is now being seen as a catastrophic loss which involves very large fires.

Purpose

LGIS risk consulting has been engaged to undertake a risk review of member waste facilities throughout the state to determine the property and liability risks associated with the management and operation of these facilities.

The risk review was completed against the principles of the Australian Standard for Risk Management (AS/NZ 31000:2018), the requirements of the site’s licensing, and guidelines issues by various state government bodies across Australia. The review is intended to be cognisant of the parameters of ‘not for profit’ waste facilities operated by member councils, as it is different from other assets operating on a commercial level.

Scope

This review aims to identify the risks to council owned property, the environment and members of the public and where applicable provide recommendations for improving the management of risks and ensuring that all member waste facilities strive to meet a set of ‘Minimum Standards’ which define the required safe operating practices for all facilities.

Specifically, the purpose of this review is to:

- Review fixed structures on site with respect to combustibility, separation and impact protection;
- Review human elements of risk management including hot works, housekeeping etc.;
- Review fire systems (fixed and mobile) and their suitability to respond to an onsite fire or defend the site from a neighbouring fire;
- Review waste material storage and handling of high risk materials;
- Review neighbouring occupancies to determine their risk on the member site, and conversely the impact the member site may have on neighbouring lots.

The scope does not and is not intended to include all elements of work health and safety and personal injury risks.

Recommendation Summary

The breakdown of recommendations by priority is as follows:

Recommendations	
Very High	3
High	4
Medium	4
Advisory	4
	15

Next Steps

The risk register as presented within this report provides a tool from which the risk management program for the facility can be considered and progressed. Each risk should be reviewed for completeness. The risk register should be reviewed and updated where required. Controls currently nominated to address identified risks should be evaluated to ensure their effectiveness.

A number of additional controls (recommendations) are included for consideration. Each of these will need to be evaluated to establish the benefits derived and contribution to reducing any one risk. A draft Action Plan has been provided in the Appendix for completion. Ownership of each action should be confirmed and a timeline / priority allocated for completion.

SITE OVERVIEW

The focus of this report is

- **Quairading Waste and Recycling Centre – Refuse Road, Quairading WA;**

A site visit was conducted on the **30th September 2025** by Jakeb Norman, Principal Risk Engineer, and Noor Ismail, Risk Engineer, Marsh Advisory.

The Quairading Waste and Recycling Centre, operated by the Shire of Quairading, is the primary waste management facility serving the town and surrounding areas. The site accepts general waste, recyclables, green waste, e-waste, tyres and used oil, while hazardous materials like chemicals are managed through special program known as drumMUSTER / ChemClear. The centre functions as both a disposal and recycling hub.

Quairading Waste and Recycling Centre

Location

The Quairading Waste and Recycling Centre is situated on Refuse Road, Quairading WA approximately 800 m north of the Quairading townsite.

Site co-ordinates are: -31.993429, 117.400082



Figure 1: Map of the premises layout and infrastructure

Operations

The facility is licensed to accept non-hazardous general solid waste, including:

- General waste: everyday domestic refuse;
- Green waste: vegetation from gardens and pruning;
- Batteries: Accepted batteries include household, power tool, farm, storage, phone, computer, button cells and those from electric/hybrid vehicles, e-bikes, buses and trucks;
- Waste oil: Motor oils and other lubricants;
- Recyclable materials: paper, cardboard, plastics and glass;
- E-waste: computers, accessories, televisions, electronic devices, lighting and lamps e.g., tube fluorescent lamps, LED products, household ceiling or desk light globes;
- Large appliances: home, office e.g., dishwasher, washing machines, air conditioner and white goods such as freezers;
- Tyre, mattresses, gas bottle and commercial quantities of waste; and
- Asbestos (prior notification is required).

Liquid waste, animal carcasses and PFAS-containing waste or equipment are not accepted or handled at the site.

The facility is open to residents on Fridays and Mondays from 8:00 am to 5:00 pm, and on Saturdays and Sundays from 8:00 am to 3:00 pm, with public holiday hours from 8:00 am to 1:00 pm, except Good Friday, Christmas Day, and New Year's Day, when the site is closed. The site also closes during Extreme Fire Danger days or when a Harvest Ban is imposed.

The site is a manned operation run by Shire employees. One site attendant is present on site during operational hours to manage operations and supervise waste disposal.

Members of the public deliver waste to the designated drop-off zone. The drop-off zone consists of clearly marked bays for the main waste streams, including:

- Red – General waste
- Blue – Scrap metal
- Yellow – Rubble
- Green – Green waste

The public should place their waste into the appropriate bay. The site attendant then collects the waste and transports it to the designated disposal areas within the facility, which are not accessible to the public when required or at least weekly.

The disposal hub operates with unlined landfill cell(s) constructed directly on natural subsoils. The site does not contain any capped or closed landfill cells at this stage.

The facility conducts periodic green waste burn-offs. These activities are carried out usually on winter time under the supervision of the local fire department.

Assets

Mobile equipment is owned, maintained and operated by the shire including:

Equipment	Number
Backhoe loader	1

Fixed structures on site include:

Fixed Structures
Amenities office (built 2023)
Work shed (built 2010)

External Exposures

The site is located approximately 166 km west of Perth CBD, and 800 m north of Quairading town centre. The site lies within a low-density area surrounded by agricultural land and natural vegetation. The site is located within a designated bushfire prone area 2. Site management reported that there is no history of bushfire incidents or recorded concerns specific to the site.

	Exposure	Distance	Description
North	Light	50 m	Agricultural land
East	Light	100 m	Quairading-Cunderdin Road
South	High	50 m	Native forest
West	High	50 m	Native forest

Recent Changes / Future Plans

The site has recently been improved to make waste disposal safer and easier to manage. A new waste segregation drop-off area has been developed, with clearly marked bays for different types of waste. This helps keep waste separated and reduces mixing of materials.

Fencing and a lockable gate have also been installed to stop the public from entering the disposal area. Only site staff can access this area, which improves safety and site control

The site plans to install bin lifts to help public safely tip waste from bins into the drop-off area. This will reduce manual handling and improve safety for users.

A fixed static safety rail will also be installed at the transfer/drop-off area to prevent public from falling when disposing of waste.

RISK REVIEW

Risk benchmarking and score

The sites were assessed against 69 criteria across 6 different risk evaluation categories. Each criterion was rated in accordance with the methodology set out in this report.

The Lowest scoring sections of this site are:

Collie Transfer Station and Landfill
Risk Reduction Procedures
Fire protection systems and management
Waste and Combustible Materials handling

The below table and figure summarise the sites performance in each category, as well as the sites performance in comparison to other landfill sites in the scheme.

Risk Evaluation Category	Maximum Score	2025 Score	% Score
Site Design and Development	380	240	63%
Waste and Combustible Materials handling	600	330	55%
Fire protection systems and management	540	220	41%
Risk Reduction Procedures	1020	380	37%
External risk exposures	800	450	56%
Total	3340	1620	49%

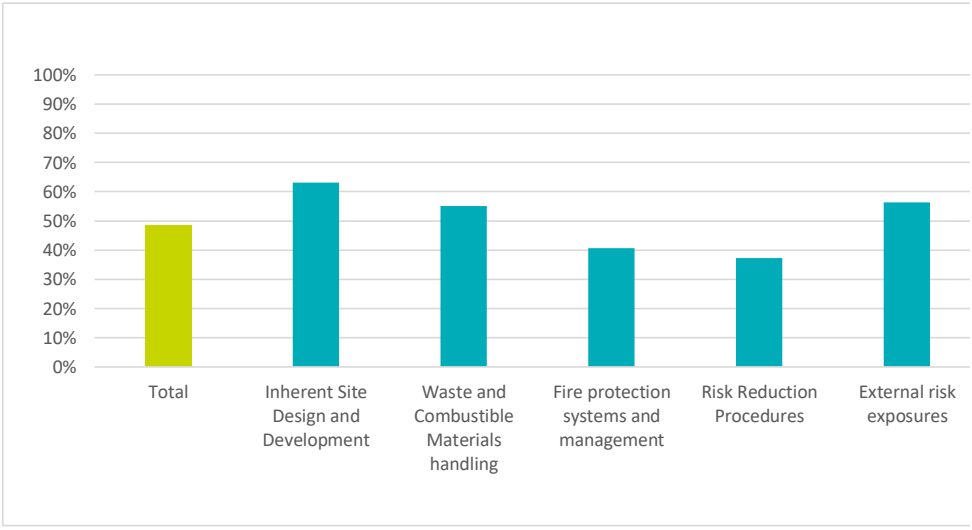


Figure 2: Score by Risk Evaluation Category

Summary of Recommendations

As a result of the inspection, the following 15 recommendations are provided to management for consideration.

- External waste stockpiling
- Electrical equipment maintenance
- Waste burn-off permit / procedure
- Battery storage
- Gas cylinder storage
- Hot work permit
- Emergency response plan
- Fire extinguisher
- Oil and paint bunding
- Thermal imaging
- Vegetation management
- Risk register
- Emergency services information container
- Security risk assessment
- Business Continuity Plan;

Detail of each recommendation is provided in the separate recommendation report.



RECOMMENDATIONS

Opportunities for Improvement (OFI's) are suggested to mitigate risks. The suggested OFI's are intended to create value and manage risk exposures while maintaining relevant to your business objectives. Either the Opportunities for Improvement addresses specifically identified Risks to Manage[SM], or they are suggested as general sound risk management practices to implement at the location.

Priority	Description
Very High	These recommendations are offered to manage an immediate risk to the site whereby controls can be implemented now with little costs involved, and is considered an essential risk management system by underwriters for this type of operation;
High	These recommendations are offered to better manage an existing risk, but may come with capital costs, works, and is considered a high priority risk management system by underwriters for this type of operation. Action / progress is recommended within 3 months, or prior to renewal.
Moderate	These recommendations are offered to better manage a risk that already has controls, or higher priority recommendations are already offered for this risk; Action recommended within 12 months.
Advisory	These recommendations are offered as best risk advice based on our experience and knowledge of insurance industry expectations; action on these recommendations will allow the site to practically demonstrate best practice management of the asset.



Rec I.D	Title	Recommendation	Priority
Quairading-2025-01	External waste stockpiling	To mitigate the risk of fire spread and enhance the safety of the transfer station facility, it is recommended to relocate and better manage external waste stockpiles. This includes implementing specific measures for the storage of combustible materials, such as tyres and IBCs, and ignitable liquids, such as oils, paints and gas cylinders. They are currently stored in large quantity and close proximity to one another. - Provide a clear buffer of at least 10 m separation between tyre, oil drum and IBC storage or fire barriers if separation distances cannot be achieved;	Very High
Quairading-2025-02	Electrical equipment maintenance	Testing and tagging of portable electrical equipment at the waste facility is not up to date, which increases the risk of electrical faults and potential fire hazards. It is recommended that all portable electrical equipment at the waste facility be annually inspected and tested in accordance with regulatory requirements.	Very High
Quairading-2025-03	Waste burn-off permit / procedure	The site currently conducts burn-off activities on site in a designated area during unrestricted burning period, with supervision from firefighting resources. However, there is no formal permit or written procedure for these activities. The site should ensure that all burn-offs are carried out only under a valid permit, and that a written procedure is developed detailing how burns are conducted, including safety controls, supervision, and environmental considerations. This will ensure that burn-off activities are safe, controlled, and compliant with regulations.	Very High
Quairading-2025-04	Battery storage	Acid lead batteries are currently stored next to gas cylinders and without appropriate bunding. Acid lead batteris should be relocated to a dedicated, physically separated storage area away from all gas cylinders, flammable liquids, and other combustible materials. The storage area should be fire-resistant, well-ventilated, and equipped with acid-proof containment trays or non-conductive shelving to prevent leaks and short circuits. The storage area should be clearly labeled.	High
Quairading-2025-05	Gas cylinder storage	All gas cylinders should be secured to a fixed anchor point or within a ventilated cage. Gas vessels including those considered ‘empty’ can contain enough gas to propel the bottle when damaged or exposed to an external heat source. This can cause injury to people nearby, or in the event of a fire, spread the fire to another area of the facility. This recommendation is intended for all gas vessels, including ignitable and non-ignitable gas vessels should be secured in a cage or chained to a fixed anchor point.	High
Quairading-2025-06	Hot work permit	A Hot works permit is not utilised on site. Site management indicated that hot works are infrequent and hot works risk management procedures are already considered. It is recommended a hot works permit is introduced to ensure that all hot works are conducted to best practice standards, this will ensure all who complete hot works, including contractors not familiar with the site or the risks are safely performing hot works. The Hot Work permit system should include:	High

Rec I.D	Title	Recommendation	Priority
		• Start / finish times; • Emergency contact information; • Consideration of combustibles nearby (vegetation, green waste, flammable or combustible liquids) • Activities pre-work (e.g., Pre-inspection of the area involved, Removal of any combustibles within a 15 metres radius from the work, • Check to ensure no hazardous materials / vapours / gases present, Drains covered, Additional extinguishers provided) • Activities on completion of work (e.g. Post hot works fire watch for 60 mines)	
Quairading-2025-07	Emergency response plan	It is recommended a site specific emergency management plan is developed: When developing a site specific ERP, ensure that it: • Includes site map/s, including key features (i.e. roads, office, fuel stores, water storage etc.) and location of hazardous material by material type (e.g. demark zones containing paper, aerosols, batteries etc.) • Contact information for key staff out of hours; • Contains current, concise information about the site's operation, infrastructure, hazards and emergency resources. • Contains credible emergency scenarios and clear procedures to manage them, including notification and escalation procedures. • Identifies all likely emissions and their impacts in the event of a fire (e.g. products of combustion and contaminants of firefighting run off) • Determines all credible off-site impacts such as smoke and firefighting run off water (including drainage layout maps and outflows.) • Determines emergency waste actions to be taken and resources required (e.g. drain blocking, waste water tankers) • Specifies how assistance will be provided to firefighters using equipment and personnel such as to break apart waste stockpiles. • Identifies specific personnel roles and/or a warden structure so that personnel are clear on the notification and escalation procedures during an emergency. • Contains a clear emergency management communication plan to internal staff and external emergency responders. • Contains a schedule and process for reviewing, updating and testing (exercising) the emergency management plan. Having an emergency response plan is not sufficient to provide an effective response. In conjunction with a ERP the following is required: • Providing emergency procedure training for all staff who may be involved in evacuation and/or are required to alert personal involved in emergency response teams. • Providing emergency information in a clearly-identifiable container	High



Rec I.D	Title	Recommendation	Priority
		• Implementing a schedule and process for reviewing, updating and testing the emergency management plan. • Conducting drills to test and improve the emergency response plan. Fire maintenance on site is completed in accordance with AS1851 however Australian Standards do not cover maintenance requirements of non-standard equipment such as fire trailers. As the fire trailer forms a key part of the sites emergency response and go long periods of not being used or tested, it is recommended the trailer and its pump are tested and maintained on a monthly basis to ensure correct functionality.	
Quairading-2025-08	Fire extinguisher	The backhoe loader on-site is not currently equipped with a fire extinguisher. The site should provide a fire extinguisher on the backhoe loader to ensure that operators can quickly respond to any small fires, reducing the risk of fire spreading.	**Moderate**
Quairading-2025-09	Oil and paint bunding	Hazardous waste oil drums and paint containers were observed stored on unprotected ground. All liquid containers should be stored on chemical-resistant trays or within bunded areas to capture any residual liquids and prevent ground contamination.	**Moderate**
Quairading-2025-10	Thermal imaging	Thermal imaging is not currently completed on electrical assets. Thermal imaging (also known as Infra-Red Scans) is a non-invasive condition monitoring technique to identify electrical faults before they occur. It is recommended thermal imaging is employed annually on all main switchboards and distribution boards.	**Moderate**
Quairading-2025-11	Vegetation management	Vegetation surrounding the waste transfer station can act as a potential fuel source. If the vegetation is too close to the buildings or stockpiles, it increases the risk of fire spreading from the vegetation to the station. External stockpiles such as tyres, oils, IBCs, paints and gas cylinders are currently stored in close proximity to external vegetation. To reduce fire risks and hazards on the waste transfer station the following vegetation management are recommended to be implemented: 1. Vegetation Management: Regularly inspect and maintain vegetation surrounding the waste transfer station. This includes removing dead or dry vegetation, trimming overhanging branches, and creating a defensible space by keeping vegetation at a safe distance from buildings and waste stockpiles.	**Moderate**
Quairading-2025-12	Risk register	It is recommended a site specific risk register is developed to properly identify and assess all risks associated with this site, identify the controls in place, and document additional controls that may be required. As the facility changes over time an annual review of the risk register will be able to identify changes to the risk and additional controls needed.	**Advisory**
Quairading-2025-13	Emergency services information container	Once the ERP is completed it is recommended an ESIC is put in place at the site entrance; An emergency services information folder should provide fire response crews with site specific information that assist in firefighting intervention, including: • Facility Emergency Response Plan including all the requirements as stated above such as available equipment, run off containment etc. • A summary of operations occurring on site. • Facility processes and systems including emergency shutdown procedures;	**Advisory**

Rec I.D	Title	Recommendation	Priority
		• Facility evacuation plan including ward areas and safe assembly areas; • Fire safety systems including on-site fixed fire monitors, deluge or drenchers static water supplies, special extinguishing agents or systems; • Firewater containment system including secondary / tertiary facilities; • Pollution control equipment including location and procedures; • Machinery available for waste removal (e.g. waste movers) and location of designated quarantine area/s; • After hours emergency contact information ; • Site map with layout of drainage on site, to prevent fire water escaping from the site.	
Quairading-2025-14	Security risk assessment	It is recommended a site specific security risk assessment is undertaken. Considerations should include identification of existing physical and electronic site security controls and security hazards such as theft, arson or malicious damage. This could be done in combination with the sites risk register however due to the nature of operations it is recommended that each security hazard is individually assessed (arson, theft, scavenging, cyber) as opposed to a single 'security' risk register line item. Based on the outcomes of the risk assessment further actions may be required to improve the sites security and arson risks.	**Advisory**
Quairading-2025-15	Business Continuity Plan	To improve the site's ability to effectively recovery from a range of incidents and minimise the impact of potential disruptions to site, consideration should be given to developing a Business Continuity Plan (BCP) focused on recovery, in addition to the existing Emergency Response and Crisis Management strategies. In developing a BCP, an initial Business Impact Analysis (BIA) should be undertaken to prioritise key processes / functions that are essential to the business, maximum allowable outage periods before contingencies need to be activated, identify key dependencies and resources, and determine a business continuity team responsible for managing the recovery. Following this, the BCP should be developed to document contingency plans for critical processes / functions.	**Advisory**



APPENDICES

Appendix B

Site Photos



Figure 1: Drop zone



Figure 2: Amenities office



Figure 3: Work shed



Figure 4: Gas cylinder storage



Figure 5: Waste oil storage



Figure 6: Oil recycling shed



Figure 7: External waste stockpiles



Figure 8: Greenwaste stockpile



Figure 9: Asbestos pit



Figure 10: Backhoe loader operation area

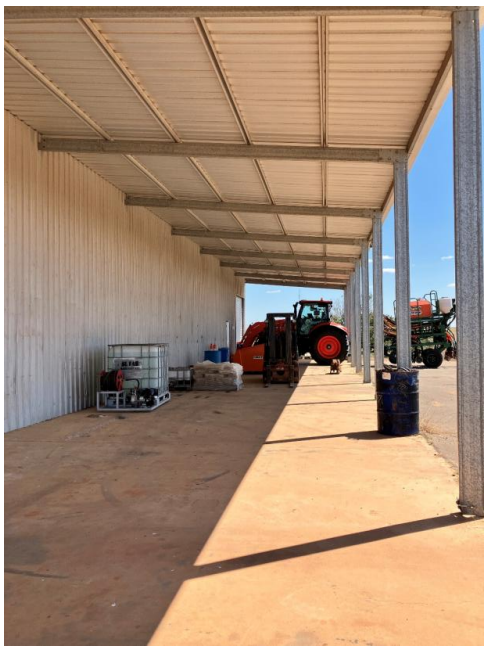


Figure 11: Fire trailer (1000 kL)



Figure 12: Electrical switchboard inside work shed

Appendix C

Methodology

Risk Review

The focus of this report is

- **Quairading Waste and Recycling Centre – Refuse Road, Quairading WA;**

A site visit was conducted on the **30th September 2025** by Jakeb Norman, Principal Risk Engineer, and Noor Ismail, Risk Engineer, Marsh Advisory to assess the waste facilities. The site inspection included consultation with following site personnel:

- Sarah Caporn – Executive Manager of Works & Services;

Where possible photographs were taken of the identified hazards as they related to a risk identified. The observations and photographs were then compared to the risk evaluation criteria as determined through review of the following documentation:

- License requirements set out by the Department of Water and Environmental Regulation;
- Managing combustible recyclable and waste materials at resource recovery centres – Environmental Protection Authority Victoria;
- Towards Improved Fire Management in Landfill sites – Fire Services commissioner Victoria;
- Fire Safety in Waste Recycling Facilities – Fire and Rescue NSW.
- Guidance Note: GN04. Fire Prevention and Management in a Materials Recycling Facility. DFES.

Risk Evaluation Categories

The following risk evaluation categories formed the basis on which the waste facilities were risk assessed against. Each criteria was assessed with respect to the current conditions and operations with the existing control measures to determine the risk level that each criteria poses to the site and its strategic goals.

Site Design and Development

- Operational buildings are non-combustible in construction and are maintained in good condition;
- Ancillary buildings (Offices, amenities) are non-combustible and maintained in good condition;
- Internal fire walls within buildings, and physical separation between buildings are presented (to reduce aggregate loss risks)
- 'High risk equipment (as balers, shredders, hydraulic equipment or electrical infrastructure) are stored in dedicated fire rated buildings, or compartments, or physically distanced from other buildings.
- Protections to prevent fire spread from Motor Control Centres, Switchboards or transformers to other areas of the facility are provided

- Paths of travel and areas of operations for heavy vehicles (dozers, loaders etc.) are permanently isolated from waste facility users
- Access to the facility entrance are via a sealed road, with onsite roads around permanent infrastructure sealed.
- All waste storage cells (regardless of whether regulated or licensed waste disposal facilities) contain a non-permeable lining to prevent ground water contamination
- All areas where combustible waste material is stored are designed to contain water run-off from fire water or stormwater.

Waste material management

- Internal waste storage is within guideline volumes and arrangements.
- Mixed waste is screened to ensure removal of hazardous materials such as flammable liquids, flammable aerosols, flares, batteries and gas canisters.
- Hazardous materials are stored appropriately and according to the hazardous goods segregation table.
- High risk mechanical equipment are appropriately protected from fire or personal injury.
- External stockpile management is in accordance with guidelines to minimise risk.
- Bulk fuel storage used for mobile equipment is located within a non-porous leak capture bund;
- A procedure is in place to detect and respond to an underground fire;
- Quarantine and safe storage of hazardous building materials such as asbestos, medical waste, or radioactive waste is appropriate and tracked
- Suitable levels of cover material are to be available at all times;
- Where methane collection is located on site, storage and combustion of methane gas is well separated from waste material, structures and external exposures.

Fire protection systems

- Adequate fire detection systems commensurate with the risk;
- Fire sprinkler system in internal spaces. Recommended if building >1000m, or contains >200m2;
- Fire hydrant installed on site capable of reaching all landfill areas: hydrants located at least 10 from stockpiles; meets flow requirements;
- Fire extinguisher and hose reels installed, maintained, labelled and accessible;
- Adequate fire water supply to support firefighting;
- Mobile Equipment contains on board fire suppression;

Management of fire risks

- Maintenance of fire systems is to AS1851:2012;
- A fire impairment permit and procedure should be developed;
- All on-site staff are to undertake emergency response training;
- Invitations to the local full time fire brigade (if relevant) should be extended to complete a tour and review of site;

Risk Reduction Procedures

- The site has a complete risk register, or documented fire risk assessment, identifying all risks and controls on site;
- Documented, relevant and practices emergency response plan that incorporates fire on site;
- An emergency services information container should be developed and provided by the person conducting or undertaking a business;
- Fall Protection is in place at elevated transfer stations;

- Access to the tip face is restricted to staff or inducted persons with suitable PPE;
- Hot works permit strength and adherence to permit requirements;
- Housekeeping arrangements on site are;
- Scheduled housekeeping inspections and documented checklist, housekeeping observed on site;
- Thermal imaging or Infrared imaging of electrical switchboards and distribution boards is undertaken annually;
- A formal security review has been undertaken and its recommendations acted on;
- Smoking on site is restricted with appropriate signage provided.
- A traffic management plan has been developed and minimises the risk of interaction between people/property and heavy vehicles;
    - Approved contractors should be engaged through a commercial tendering process;
    - Consideration should be given to developing a Business Continuity Plan (BCP) focused on recovery, in addition to the Emergency Response and Crisis Management strategies.

External Risk Exposures

- Neighbouring properties pose a low risk to site and vice versa
- Buffer zones exist between waste storage and the boundary edges;
- Fire breaks/ access roads are maintained around the entire property perimeter;
- Fully encompassing fencing of site to protect from windblown waste and intruder access;
- Lightning arrestors are installed on site to reduce ignition risks;
- landfill cells are lined
- Bore monitoring
- Water run-off and leachate containment;
- Wind direction monitoring and notification;
  Access to the facility is via a sealed road, and multiple access points are available

PFAS (Per- and Polyfluoroalkyl Substances) Management

- PFAS-contaminated waste acceptance and handling procedures;
- Training and management planning developed and implemented covering all aspects of facility operation, including closure plans;
- Monitoring, Monitor landfill leachate, groundwater, surface water, and land receptors for PFAS in accordance with regulatory requirements

Risk Assessment

Assessment of risk involves understanding the nature of the hazard, the existing controls measures and, combining the consequence/s of an event with the likelihood that those consequences occurring.

Findings

Conformance to the audit standards was rated as follows:

- **Y: YES:** The standard is completely met by the property
- **P: PARTIAL:** The standard is only partially met by the property (e.g. draft format, almost complete, verifiable or property has made a start)
- **N: NO:** The standard is not being met by the property
- **N/A: NOT APPLICABLE:** The standard is not relevant to the property;

Scoring

Each statement is provided a nominated weighting. Where an element is Not Applicable, this is removed from the overall possible score. Where an element is rated as Partial, it receives 50% of the possible score for that element.

Weightings are applied with the following methodology:

- 100 - An essential risk control measure;
- 80 - A high priority risk control;
- 60 - A moderate priority risk control;
- 40 - A low priority risk control;
- 20 - Best practice risk control measures

A performance score is provided for each element of each Section and the total expressed as a percentage (%) which is then graded A+ (Excellent) – F (Poor).

It is important to remember that there is no pass or fail, however, any act of non-conformance can result in injury, legal action or property damage or interruption. The score allows LGISWA to benchmark any under-performance.

Grading	
A	>90
B	>80
C	>70
D	>60
E	>50
F	<50

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ITEM 10 EMERGING ISSUES/LATE ITEMS

ITEM 11 NEXT MEETING DATE

The next Audit, Risk & Improvement Committee Meeting is scheduled to take place on Tuesday 11 August 2026 commencing at 5:00 PM in the Council Chambers, 10 Jennaberring Road, Quairading, WA.

ITEM 12 CLOSURE

There being no further business, the Chairperson closed the Meeting at 5.25 pm.

I certify the minutes of the Audit & Risk Committee meeting held on 12 May 2026 were confirmed 11 August 2026 as recorded on Resolution No. ARIC 001 - 26/27.

Confirmed..... ..... 17.09.2026