Shire of Cocos (Keeling) Islands

MINUTES

Audit, Risk and Improvements Committee Meeting

9 September 2026

Disclaimer

Members of the public should note that in any discussion regarding any planning or other application that any statement or intimation of approval made by any member or officer of the Shire during the course of any meeting is not intended to be and is not to be taken as notice of approval from the Shire. No action should be taken on any item discussed at a Council meeting prior to written advice on the resolution of the Council being received. Any plans or documents contained in this document may be subject to copyright law provisions (Copyright Act 1968, as amended) and the express permission of the copyright owner(s) should be sought prior to the reproduction.

OUR VALUES

Service

Provide the best service we can.

We serve the community and each other.

Accountability

We take responsibility for our own actions.

We do what we say we will do.

Mistakes are an opportunity to learn.

Support

We support our team and our community.

Look for opportunities to help each other.

Respect

We respect and value others.

Our interactions are always respectful towards others.

Integrity

We will be honest and transparent with all our dealings.

Maintain confidentiality.

Trust each other.

Achievement

Being proactive and enabling the outcomes.

Be creative and think outside the square.

Order of Business

1 OPENING/ANNOUNCEMENTS OF VISITORS

The Independent Deputy Presiding Member declared the meeting open at 3:00 pm.

2 ATTENDANCE/APOLOGIES/LEAVE OF ABSENCE

Independent Deputy Presiding member: Ms Gia Jac

Committees: Cr Ayesh Young
Cr Isa Minkom

Staff: Matthew Scott, Chief Executive Officer
David Tombs, Manager Finance and Corporate Services
Ibrahim Macrae, Manager Governance Risk and Planning

Visitors: Nil

Apologies: Cr Tony Lacy

Approved Leave of Absent: Nil

3 DECLARATIONS OF INTERESTS

Members of the Committee are bound by the provisions of *the Local Government Act 1995, Section 5.65* with respect to disclosure of financial, impartiality or proximity interests.

Name	Item No	Interest	Nature
Nil			

4 CONFIRMATION OF MINUTES OF PREVIOUS MEETINGS

COMMITTEE RESOLUTION - ITEM NO ARIC/26/001

MOVED: GIA JAC **SECONDED: CR I MINKOM**

THAT THE MINUTES OF THE AUDIT, RISK AND IMPROVEMENTS COMMITTEE MEETING OF 27 JULY 2026 COPIES OF WHICH WERE PREVIOUSLY CIRCULATED, ARE HEREBY CONFIRMED AS A TRUE AND CORRECT RECORD OF THE PROCEEDINGS OF THAT MEETING.

THE MOTION WAS PUT AND DECLARED CARRIED (3/0)

FOR: MS GIA JAC, CR ISA MINKOM AND CR AYESHA YOUNG

AGAINST: NIL

5 PRESENTATIONS

6 OFFICER'S REPORT

6.1 2025 COMPLIANCE AUDIT RETURN

FILE NUMBER:

AUTHOR: Ibrahim Macrae, Manager Governance Risk and Planning

AUTHORISER: Matthew Scott, Chief Executive Officer

DISCLOSURE(S) OF INTEREST: Author - Nil

Authoriser - Nil

ISLAND: Shire Wide

ATTACHMENTS: 6.1.1 - 2025 Compliance Audit Return ⇩

AUTHORITY/DISCRETION

Definition

☐	Advocacy	*When Council advocates on its own behalf or on behalf of its community to another level of government/body/agency.*
☒	Executive	*The substantial direction setting and oversight role of the Council. E.g., adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.*

☐	Legislative	*Includes adopting local laws, town planning schemes and policies. Review when Council reviews decisions made by officers.*
☐	Quasi-Judicial	*When Council determines an application / matter that directly affects a person's right and interest. The judicial character arises from the obligations to abide by the principles of natural justice. Examples of Quasi-Judicial authority include town planning applications, building licenses, applications for other permits / licenses.*
☐	Information	*Includes items provides to Council for information purposes only that do not require a decision of Council (i.e. – for noting).*

REPORT PURPOSE

The purpose of this report is to present the 2025 Compliance Audit Return (CAR) to the Audit, Risk and Improvement Committee (ARIC) for review and consideration.

The Compliance Audit Return is an annual assessment of the Shire's compliance with relevant requirements under the *Local Government Act 1995* and associated regulations.

The 2025 Compliance Audit Return identifies that the Shire has complied with the majority of the requirements reviewed. However, several areas have been identified where further action, improvement or additional documentation is required.

The main matters identified relate to procurement, delegation reviews, the Corporate Business Plan, Council Member training, the timing of the audit process, and the review of risk management, internal controls and legislative compliance systems.

The Committee is requested to review the Compliance Audit Return and consider recommending that Council endorse the Return.

BACKGROUND

Local Governments are required to complete a Compliance Audit Return each year to assess compliance with key legislative and governance requirements.

The 2025 Compliance Audit Return covers a range of areas including:

- Council and committee governance;
- delegations;
- procurement and tendering;
- conflicts of interest and disclosures;
- financial management;
- audit requirements;
- risk management and internal controls;
- elections;

- codes of conduct;
- transparency and public access requirements; and
- other legislative and regulatory requirements.

The Compliance Audit Return provides an opportunity for the Shire to identify areas where processes are working well and where improvements may be required.

The completed Return is presented to the Audit, Risk and Improvement Committee for review before being recommended to Council for endorsement.

COMMENTS

The Compliance Audit Return identifies that the Shire was compliant with most of the requirements assessed. There are, however, several matters that require attention.

3.1 Internet Services Contract – Procurement

The Compliance Audit Return identifies a non-compliance relating to the procurement of an internet services contract.

In June 2025, the Shire entered into an internet services contract above the tender threshold without undertaking a public tender process. The previous provider had given the Shire approximately four weeks' notice that the service would cease, requiring the Shire to arrange an alternative service to maintain essential operations.

The circumstances were treated as an emergency. However, the Shire did not formally obtain approval to rely on the relevant exemption from the tender requirements.

The matter was also identified by the external auditor as a significant matter.

Actions have been identified to strengthen the Shire's procurement processes, including:

- improving procurement documentation;
- providing additional staff training;
- undertaking compliance checks; and
- strengthening records management.

3.2 Review of Delegations

The Compliance Audit Return identifies that the Shire's delegation register was maintained, but there was insufficient evidence to confirm that all required delegation reviews had been completed during the relevant period.

The Council's last recorded review of delegations was undertaken in November 2024.

Further work is required to ensure delegation reviews are undertaken within the required timeframe and that the review process is properly documented.

3.3 Corporate Business Plan

The Compliance Audit Return identifies that the Corporate Business Plan was last reviewed on 14 December 2022.

While the Corporate Business Plan was found to contain the required information, the review has not occurred within the expected timeframe.

The review should be progressed through the Shire's Integrated Planning and Reporting process to ensure the Shire's priorities remain current and aligned with community needs and available resources.

3.4 Council Member Essentials Training

The Compliance Audit Return identifies that some Council Members were still in the process of completing the required Council Member Essentials training within the required timeframe.

The Shire should continue to monitor completion of the training and follow up any outstanding requirements.

3.5 Timing of the Audit Report

The auditor's report for the financial year ended 30 June 2025 was received by the Shire on 10 June 2026 and was presented to Council on 29 July 2026.

The management letter was not received until early July 2026. As a result, the Audit, Risk and Improvement Committee did not have the opportunity to review the annual financial statements and related audit information before they were presented to Council.

Improved coordination of the audit process and earlier receipt of audit information should be considered for future audit periods.

3.6 Risk Management, Internal Controls and Legislative Compliance

The Compliance Audit Return identifies that the required review of the Shire's risk management, internal control and legislative compliance systems had not been completed within the required timeframe.

The last recorded review was undertaken on 30 June 2023.

The Shire should undertake and document the required review to ensure that any weaknesses or areas for improvement are identified and addressed.

The review will also provide assurance to Council and the Audit, Risk and Improvement Committee that the Shire's systems remain appropriate and effective.

3.7 Overall Compliance

Overall, the Compliance Audit Return demonstrates that the Shire has complied with the majority of the requirements assessed.

A number of requirements were also recorded as not applicable because the relevant circumstances did not occur during the 2025 compliance period. For example, the Shire did not undertake major trading undertakings or major land transactions, and there were no other tender, EOI or panel processes captured under the relevant requirements.

The matters identified through the Compliance Audit Return should be viewed as opportunities to strengthen the Shire's governance and compliance processes.

POLICY AND LEGISLATION IMPLICATIONS

The Compliance Audit Return considers the Shire's compliance with relevant requirements under:

- *Local Government Act 1995*;
- *Local Government (Administration) Regulations 1996*;
- *Local Government (Audit) Regulations 1996*;
- *Local Government (Financial Management) Regulations 1996*;

- *Local Government (Functions and General) Regulations 1996*;
- *Local Government (Constitution) Regulations 1998*; and
- *Local Government (Elections) Regulations 1997*.

There are no direct policy implications arising from the endorsement of the Compliance Audit Return.

However, the matters identified may require the Shire to review or strengthen relevant internal procedures, particularly in relation to:

- procurement;
- delegations;
- records management;
- risk management;
- legislative compliance; and
- audit processes.

FINANCIAL IMPLICATIONS

There are no significant direct financial implications associated with reviewing and endorsing the Compliance Audit Return.

Any improvements identified can generally be managed through existing operational resources and budgets. Where additional resources are required, these can be considered through the normal budget process.

STRATEGIC IMPLICATIONS

Theme

L Leadership

Goal

L2 To ensure that Shire resources are utilised in a manner that represents the best interest of the whole community

Strategy

L2.1 Responsible financial management utilizing resources to meet legislative requirements and community expectations

RISK IMPLICATIONS

Risk Category	Description	Rating (consequence x likelihood)	Mitigation Action
Financial	Failure to follow procurement requirements may expose the Shire to additional costs, poor value for money, or financial loss.	Medium	Strengthen procurement and emergency procurement procedures, ensure appropriate approvals are obtained, and maintain supporting documentation.
Reputation	Non-compliance with legislative and governance requirements may affect the Shire's reputation and community confidence.	Medium	Implement the corrective actions identified in the Compliance Audit Return and monitor progress through governance and audit processes.
Compliance	Failure to meet legislative requirements relating to procurement, delegations, corporate planning, training and risk management may result in non-compliance with the *Local Government Act 1995* and associated regulations.	High	Complete outstanding reviews, improve documentation, monitor legislative requirements and provide staff training where required.
Fraud	Weaknesses in procurement, delegation or record-keeping processes may increase the opportunity for inappropriate use of Shire resources or unauthorised decisions.	Medium	Maintain clear delegations, separation of duties, procurement controls, approval processes and appropriate records. Continue regular compliance and internal control reviews.

Overall Risk Assessment

The overall risk associated with the matters identified in the 2025 Compliance Audit Return is considered Medium, with individual matters relating to procurement and risk management assessed as High due to their potential governance and legislative consequences.

The identified risks do not prevent the Committee from considering the Compliance Audit Return. However, the matters should continue to be monitored and appropriate corrective actions implemented to reduce the likelihood of similar issues occurring in future compliance periods.

Overall Risk Rating: Medium

Risk Matrix

Consequence / Likelihood	Insignificant (1)	Minor (2)	Medium (3)	Major (4)	Extreme (5)
Almost Certain (5)	Moderate (5)	High (10)	High (15)	Extreme (20)	Extreme (25)
Likely (4)	Low (4)	Moderate (8)	High (12)	High (16)	Extreme (20)
Possible (3)	Low (3)	Moderate (6)	Moderate (9)	High (12)	High (15)
Unlikely (2)	Low (2)	Low (4)	Moderate (6)	Moderate (8)	High (10)
Rare (1)	Low (1)	Low (2)	Low (3)	Low (4)	Moderate (5)

VOTING REQUIREMENT

Simple Majority

CONCLUSION

The 2025 Compliance Audit Return provides an overall assessment of the Shire's compliance with relevant legislative and regulatory requirements for the 2025 reporting period.

While the majority of requirements were assessed as compliant or not applicable, the Return identifies several areas requiring further attention. These include procurement, delegation reviews, the Corporate Business Plan, Council Member training, audit processes, and the review of risk management, internal controls and legislative compliance systems.

The identified matters provide an opportunity for the Shire to strengthen its governance arrangements, improve documentation and processes, and reduce the risk of similar issues occurring in future compliance periods.

It is therefore considered appropriate for the Audit, Risk and Improvement Committee to review the 2025 Compliance Audit Return and recommend that Council endorse the Return.

DISCUSSION

The Committee sought further assurance, updates and supporting evidence regarding the matters identified in the Return, including procurement, delegations, the Corporate Business Plan, Council Member Essentials training, audit timing, and the review of risk management, internal controls and legislative compliance.

Management provided updates on the actions being undertaken to address the identified matters. The Committee emphasised the importance of documenting corrective actions and retaining appropriate evidence to demonstrate completion and ongoing compliance.

The Committee noted that the identified matters would continue to be monitored through the Shire's governance, risk and compliance processes, with further updates and supporting evidence to be provided to ARIC where required.

The discussion provided additional assurance regarding management's response to the 2025 Compliance Audit Return and did not alter the findings recorded in the Return.

OFFICER RECOMMENDATION – ITEM NO 6.1

THAT AUDIT, RISK AND IMPROVEMENTS COMMITTEE, BY SIMPLE MAJORITY:

1. REVIEWS AND CONSIDERS THE SHIRE OF COCOS (KEELING) ISLANDS 2025 COMPLIANCE AUDIT RETURN;
2. NOTES THE AREAS IDENTIFIED IN THE RETURN REQUIRING FURTHER ACTION, IMPROVEMENT OR MONITORING;
3. NOTES THE RISK IMPLICATIONS IDENTIFIED IN THIS REPORT AND THE PROPOSED RISK TREATMENTS; AND
4. RECOMMENDS TO COUNCIL THAT THE 2025 COMPLIANCE AUDIT RETURN BE ENDORSED.

COMMITTEE RESOLUTION - ITEM NO 6.1 ARIC/26/002

MOVED: CR I MINKOM SECONDED: CR A YOUNG

THAT AUDIT, RISK AND IMPROVEMENTS COMMITTEE, BY SIMPLE MAJORITY:

1. **REVIEWS AND CONSIDERS THE SHIRE OF COCOS (KEELING) ISLANDS 2025 COMPLIANCE AUDIT RETURN;**
2. **NOTES THE AREAS IDENTIFIED IN THE RETURN REQUIRING FURTHER ACTION, IMPROVEMENT OR MONITORING;**
3. **NOTES THE RISK IMPLICATIONS IDENTIFIED IN THIS REPORT AND THE PROPOSED RISK TREATMENTS; AND**
4. **RECOMMENDS TO COUNCIL THAT THE 2025 COMPLIANCE AUDIT RETURN BE ENDORSED.**

THE MOTION WAS PUT AND DECLARED CARRIED (3/0)

FOR: MS GIA JAC, CR ISA MINKOM AND CR AYESHA YOUNG

AGAINST: NIL

Local Government Inspector

GOVERNMENT OF WESTERN AUSTRALIA

2025 Compliance Audit Return

Local Government Authority: The Shire of Cocos (Keeling) Islands

Local Government Act 1995

s. 2.29

Has every person elected or appointed to a mayor, president, deputy, or councillor role made the required declaration in the prescribed form before a prescribed person, prior to acting in the office?

Response: Yes

s. 3.16

Has the local government reviewed local laws, which have not been reviewed in the previous 8 years, to ensure compliance with Schedule 9.3, Clause 65?

Response: Yes

s.3.57

Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?

Response: No

Comments: In June 2025, Shire entered into a contract for internet services with a value above the tender threshold set out in regulation 11(1) of the Local Government (Functions and General) Regulations 1996 without undertaking a public tender process. This was because the previous internet service provider gave only four weeks' notice that it would cease providing the service, requiring Shire to secure a replacement urgently to maintain business operations. While the situation was treated as an emergency, the Shire did not seek approval to rely on the exemption available under regulation 11(2).

s. 3.58(3)

Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)?

Response: Yes

Comments: A number of property leases entered into during 2025; however, the properties are owned by a land trust which the Shire is the trustee.

s. 3.58(4)

Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4) of the Act, in the required local public notice for each disposal of property?

Response: Yes

Comments: A number of property leases entered into during 2025; however, the properties are owned by a land trust which the Shire is the trustee.

s. 3.59(2)(a)

Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2025?

Response: N/A

Comments: No major trading undertaking entered into during 2025.

s. 3.59(2)(b)

Has the local government prepared a business plan for each major land transaction that was not exempt in 2025?

Response: N/A

Comments: No major trading undertaking entered into during 2025.

s. 3.59(2)(c)

Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2025?

Response: N/A

Comments: No major land transactions entered into during 2025.

s. 3.59(4)

Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2024?

Response: N/A

Comments: There were no major trading undertaking or major land transactions in 2025

s. 3.59(5)

During 2025, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?

Response: No

Comments: No major trading undertakings and or major land transactions entered into during 2025.

s. 5.16 (1)

Were all delegations to committees resolved by absolute majority?

Response: N/A

Comments: No council committees have been provided with delegated authority.

s. 5.16 (2)

Were all delegations to committees in writing?

Response: N/A

Comments: No council committees have been provided with delegated authority.

s. 5.17

Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995?

Response: N/A

Comments: No council committees have been provided with delegated authority.

s. 5.18

Were all delegations to committees recorded in a register of delegations?

Response: N/A

Comments: No council committees have been provided with delegated authority.

s. 5.36(4) and s. 5.37(3)

Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?

Response: Yes

s. 5.37(2)

Did the CEO inform council of each proposal to employ or dismiss senior employee?

Response: N/A

Comments: No CEO recommendation to employ or dismiss a senior employee was rejected by council during 2025.

Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?

Response: N/A

Comments: No CEO recommendation to employ or dismiss a senior employee was rejected by council during 2025.

s. 5.39B

Has the local government adopted and maintained model standards that incorporate the prescribed model standards within required timeframes (including amendments), ensured adoption by absolute majority, published an up-to-date version on its official website, and avoided including any inconsistent additional provisions?

Response: Yes

s. 5.42

Were all delegations to the CEO resolved by an absolute majority?

Response: Yes

Comments: Last reviewed in November 2024

Were all delegations to the CEO in writing?

Response: Yes

s. 5.43

Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995?

Response: Yes

s. 5.44(2)

Were all employees delegated authority by the CEO under Section 5.44(1), issued with a written instrument of delegation?

Response: Yes

s. 5.45(1)(b)

Were all decisions by the Council to amend or revoke a delegation made by absolute majority?

Response: Yes

s. 5.46

Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?

Response: Yes

Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2024/2025 financial year?

Response: No

Comments: Last reviewed by Council on 27 November 2024, however, no records seem to exist to determine whether the CEO reviewed subsequent delegations to staff.

Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19?

Response: Yes

s. 5.50

If the local government paid a finishing employee an amount in addition to their entitlement, did the local government follow a policy it had adopted and published on its website outlining the circumstances in relation to payments made to terminated employees?

Response: N/A

Comments: No such payments made.

If the local government made a payment to a finishing employee that is more than the amount set out in the policy, was local public notice given?

Response: N/A

Comments: No such payments made.

s. 5.51A

Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government?

Response: Yes

Has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?

Response: Yes

s. 5.67

Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?

Response: Yes

s. 5.68(2)

Were all decisions regarding participation approval in relation to Section 5.68(2), including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting?

Response: Yes

s. 5.69(5)

Were all decisions regarding participation approval in relation to Section 5.69(5), including the extent of participation allowed recorded in the minutes of the relevant council or committee meeting?

Response: Yes

s. 5.70

Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?

Response: Yes

s. 5.71B(5) and (7)

Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?

Response: N/A

Comments: No applications made to the Minister during 2025.

Was any decision made by the Minister under section 5.71B(6) of the Local Government Act 1995, recorded in the minutes of the council meeting at which the decision was considered?

Response: N/A

Comments: No applications made to the Minister during 2025.

s. 5.73

Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made?

Response: Yes

s. 5.75

Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?

Response: Yes

s. 5.76

Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2025?

Response: Yes

s. 5.77

On receipt of a primary or annual return, did the CEO, or the Mayor/President, as the case may be, give written acknowledgment of having received the return?

Response: Yes

s. 5.88

Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995?

Response: Yes

Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28?

Response: Yes

After a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person?

Response: Yes

Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?

Response: Yes

s. 5.89A

Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A?

Response: Yes

Did the CEO publish an up-to-date version of the gift register on the local government's website?

Response: Yes

s. 5.90A

Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government’s website, a policy dealing with the attendance of council members and the CEO at events?

Response: Yes

Comments: Policy was last reviewed/updated 28 August 2024.

s. 5.94

Does the local government have information available for members of the public to inspect, free of charge as prescribed under section 5.94 and Admin Reg 29, except where restricted under this section?

Response: Yes

s. 5.96

Where a person is entitled to inspect information under this Division, can the local government confirm that copies are available and that the price at which it sells copies does not exceed the cost of providing them, (unless prescribed otherwise)?

Response: Yes

s. 5.96A

Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?

Response: Yes

s. 5.104

Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates that incorporates the model code of conduct?

Response: Yes

Did the local government adopt additional requirements in addition to the model code of conduct?

Response: Yes

Does it comply with section 5.104(3) and (4) of the Local Government Act 1995?

Response: Yes

Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website?

Response: Yes

s. 5.128

Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?

Response: Yes

s. 7.12A(3), (4) and (5)

Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?

Response: Yes

Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters?

Response: Yes

Comments: The auditor identified a significant matter relating to a material telecommunications contract that was not subject to a formal tender process. The Shire prepared a report under section 7.12A(4) of the Local Government Act 1995 (WA) outlining the actions taken and intended to be taken in response to the significant audit finding. These actions included strengthening procurement documentation, staff training, compliance reviews and improving records management.

Was a copy of the report given to the Minister within three months of the audit report being received by the local government?

Response: Yes

Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website?

Response: Yes

Local Government (Administration) Regulations 1996

r. 18F

Were the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995?

Response: N/A

Comments: No new CEO started in 2025.

r. 19AB

Does the code of conduct contain the requirement that a local government employee (not including the CEO) must not accept a prohibited gift from an associated person?

Response: Yes

r. 19AC

Does the local government's code of conduct include requirements for the recording, storing, disclosure, and use of information relating to gifts accepted by local government employees (excluding the CEO) from associated persons, in accordance with regulatory requirements?

Response: Yes

r. 19AE

Does the local government's code of conduct include requirements addressing employee behaviour in the performance of duties, interactions with others, use and disclosure of information, use of local government resources and finances, the keeping of records, and the reporting and management of suspected breaches and misconduct, in accordance with regulatory requirements?

Response: Yes

r. 19B

Did the local government include in its annual report all information required under section 5.53(2)(g) and (i) and regulation 3A(2), including number of employee's in salary bands over $130,000, remuneration and allowances paid, ordered payments, CEO remuneration, council member meeting attendance, available demographic information about council members, and details of any modifications to the strategic community plan or significant modifications to the corporate business plan?

Response: Yes

r. 19C

Has the local government adopted by absolute majority a strategic community plan?

Response: Yes

Adoption date or the date of the most recent review: 14/12/2022

r. 19DA

Has the local government reviewed its corporate business plan in accordance with Admin Regulation 19DA(4)?

Response: No

Comments: Last reviewed 14/12/2022.

Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?

Response: Yes

r. 22

No response required. This is covered by s5.75.

r. 23

No response required. This is covered by s5.76.

r. 28

No response required. This is covered by s5.88(1).

r. 28A

No response required. This is covered by s5.89A(1).

r. 29

No response required. This is covered by s5.94.

r. 29C

Does the local government publish all prescribed information on its official website— including up-to-date policies, required details of council member and employee returns, council member fees and allowances, and relevant public notices—within the specified timeframes and in accordance with legislative requirements?

Response: Yes

r. 35

Has every local government council member completed and passed the Council Member Essentials course, consisting of the five required modules and delivered by an approved provider, within 12 months of being elected?

Response: No

Comments: Council Members are currently in the process of completing the required Council Member Essentials course within 12 months of being elected.

r. 36

Does the local government appropriately identify and document council members who are exempt from the training requirements under section 5.126(1), including verifying that the member:

- has completed an approved course within the specified 5-year period prior to election, or
- completed the LGASS00002 Elected Member Skill Set before 1 July 2019 within the relevant timeframe, or
- qualifies for the transitional exemption applicable to council members in office at the commencement of the 2019 regulatory amendments?

Response: Yes

Local Government (Audit) Regulations 1996

r. 10

Was the auditor's report for the financial year ending 30 June 2025 received by the local government within 30 days of completion of the audit?

Response: No

Comments: Audit Report received 10 June 2026 were presented to Council on 29 July 2026. Management letter not received until early July 2026 and therefore unable to have the Audit and Risk Improvement Committee review annual financial statements prior to them being presented to council on 29 July 2026.

r. 17

Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2025?

Response: No

Comments: Last reviewed 30/06/2023. Numerous acting CEOs during the last six months of 2025.

Local Government (Constitution) Regulations 1998

r. 11FA

Did the CEO provide the Minister a report as to the result of the election within 14 days of the declaration and in the form of Form 20 of the Local Government (Elections) Regulations 1997, modified as necessary?

Response: Yes

r. 13

Were all required oaths, affirmations and declarations under section 2.42 (in relation to Commissioners) made in the correct form (Form 8), before the appropriate authorised person?

Response: Yes

Local Government (Elections) Regulations 1997

r. 30G

Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997?

Response: Yes

Comments: No disclosures made.

Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997?

Response: Yes

Comments: No disclosures made.

Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997?

Response: Yes

Local Government (Financial Management) Regulations 1996

r. 5

Has the CEO ensured efficient systems and procedures are established under provisions set out in Financial Management Regulations 5(1)(a) to (g)?

Response: Yes

r. 6

Has the local government ensured that any employee delegated responsibility for day-to-day accounting or financial management operations is not also delegated the responsibility for conducting internal audits, reviewing their own duties, or for managing, directing or supervising someone who carries out these functions?

Response: Yes

r. 7

Did the local government ensure it has regard to the needs of the inhabitants of the district as a whole and not keep separate ward accounts or determine expenditure on the basis of revenue from a ward?

Response: Yes

r. 8

Does the local government maintain separate accounts with a bank or other financial institution for money to be held in the municipal fund, trust fund and for reserve account purposes?

Response: Yes

r. 9

Did the local government keep separate financial records for each trading undertaking and each major land transaction?

Response: N/A

Comments: No trading undertaking and major land transaction during 2025.

r. 11

Has the local government developed procedures for the authorisation of, and the payment of, accounts in accordance with Local Government (Financial Management) Regulations 11(1), (2) and (3)?

Response: Yes

r. 12

Were payments made from the municipal fund or trust fund made by the CEO under a delegated authority or authorised, in accordance with regulation 13(2), in advance by a council resolution?

Response: Yes

r. 13

Can the local government confirm that, where the CEO has been delegated authority to make payments from the municipal or trust fund, the CEO prepared accurate monthly lists that are presented at the next ordinary council meeting and recorded in the minutes?

- includes the payee's name, payment amount, payment date, and sufficient information to identify each transaction where payments have already been made; or
- includes the payee's name, payment amount, sufficient information to identify each transaction, and the date of the council meeting (to which the list will be presented) for accounts requiring council approval.

Response: Yes

r. 13A

Did the local government prepare a list each month of all payments made using employee-authorised credit, debit or other purchasing cards, and include the payee’s name, the amount of the payment, the date of the payment, sufficient information to identify the payment, and present the list at the next ordinary council meeting (and record in the minutes)?

Response: Yes

r. 19

Has the local government established and documented internal control procedures to enable identification of the nature and location of all investments and any related transactions?

Response: Yes

r. 19C

Has the local government ensured that all investments made under section 6.14(1) comply with statutory restrictions set out in Financial Management Reg. 19C?

Response: Yes

Local Government (Functions and General) Regulations 1996

r. 7

No response required. This is covered by s3.59(2).

r. 9

No response required. This is covered by s3.59(2).

r. 10

No response required. This is covered by s3.59(2).

r. 11A

Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, $250,000 or less or worth $250,000 or less?

Response: No

Comments: In June 2025, Shire entered into a contract for internet services with a value above the tender threshold set out in regulation 11(1) of the Local Government (Functions and General) Regulations 1996 without undertaking a public tender process. This was because the previous internet service provider gave only four weeks' notice that it would cease providing the service, requiring Shire to secure a replacement urgently to maintain business operations. While the situation was treated as an emergency, the Shire did not seek approval to rely on the exemption available under regulation 11(2).

r. 11

No response required. This is covered by s3.57.

r. 12

Did the local government consider the implications of Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?

Response: N/A

Comments: No multiple contracts for same supply entered into during 2025.

r. 14(1), (3) and (5)

If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents, or each acceptable tenderer notice of the variation?

Response: N/A

Comments: No tenders issued in 2025.

r. 15

Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?

Response: N/A

Comments: No tenders issued in 2025.

r. 16

No response required. This is covered by r. 15.

r. 17

Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?

Response: N/A

Comments: No tenders issued in 2025.

r. 18(1) and (4)

Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?

Response: N/A

Comments: No tenders issued in 2025.

Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?

Response: N/A

Comments: No tenders issued in 2025.

r. 19

Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?

Response: N/A

Comments: No tenders issued in 2025.

r. 21

Does the local government's advertising and expression of interest processes for limiting who can tender comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?

Response: N/A

Comments: No tenders issued in 2025.

r. 22

No response required. This is covered by r. 21.

r. 23

Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?

Response: N/A

Comments: No EOIs issued in 2025.

Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?

Response: N/A

Comments: No EOIs issued in 2025.

r. 24

Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24?

Response: N/A

Comments: No EOIs issued in 2025.

r. 24AD(2), (4) and (6)

Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions & General) Regulations 1996 regulations 24AD(4) and 24AE?

Response: N/A

Comments: No panels of pre-qualified suppliers advertised in 2025.

If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?

Response: N/A

Comments: No panels of pre-qualified suppliers advertised in 2025.

r. 24AE

No response required. This is covered by r. 24AD(2), (4) and (6).

r. 24AF

No response required. This is covered by r. 24AD(2), (4) and (6).

r. 24AG

Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG?

Response: N/A

Comments: No tenders issued in 2025.

r. 24AH(1) and (3)

Did the local government reject any applications to join a panel of prequalified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?

Response: N/A

Comments: No panels of pre-qualified suppliers advertised in 2025.

Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?

Response: N/A

Comments: No panels of pre-qualified suppliers advertised in 2025.

r. 24AI

Did the CEO send each applicant written notice advising them of the outcome of their application?

Response: N/A

Comments: No panels of pre-qualified suppliers advertised in 2025.

r. 24E

Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?

Response: N/A

Comments: No regional price preference resolved by Council in 2025.

r. 24F

No response required. This is covered by r. 24E.

I certify this is a true and accurate copy of the 2025 Compliance Audit Return, as adopted by Council at the meeting of _____________________________ 2026.

CEO | Date

Mayor or President | Date

7 CLOSE OF MEETING

The Presiding member declared the meeting closed at 3:30pm.

These minutes were confirmed at a meeting on ________________________

SIGNED this day of 2026

as a true record of proceedings.

____

PRESIDING MEMBER