Peppermint Grove
The Garden Shire

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING

MINUTES

FROM MEETING HELD ON THE

11th August 2026 AT 04:30 PM

Shire of Peppermint Grove

AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING AGENDA

11th August 2026

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1 DECLARATION OF OFFICIAL OPENING

At 4:31 pm, the Presiding Member declared the meeting open.

2 RECORDING OF ATTENDANCE, APOLOGIES AND LEAVES OF ABSENCE

2.1 ATTENDANCE

Presiding Member	Mr D Price via Teams
Elected Member	Cr C Hohnen
Elected Member	Cr J Mahony
Elected Member	Cr P Macintosh
Chief Executive Officer	Mr D Burnett
Manager Corporate and Community Services	Mr J Clapham

2.2 GUESTS

Elected Member Mr D Singleton joined at 4:41 as an observer

2.3 APOLOGIES

Deputy Shire President	Cr P Dawkins

2.4 LEAVES OF ABSENCE

4 DECLARATIONS OF INTEREST

4.1 FINANCIAL INTEREST

4.2 PROXIMITY INTEREST

4.3 IMPARTIALITY INTEREST

4.4 INTEREST THAT MAY CAUSE A CONFLICT

4.5 STATEMENT OF GIFTS AND HOSPITALITY

5 ANNOUNCEMENTS BY THE PRESIDING MEMBER (WITHOUT DISCUSSION)

6 CONFIRMATION OF MINUTES

OFFICER/COMMITTEE RECOMMENDATION – ITEM 6.1

Moved: **Seconded:**

That the Minutes of the Audit, Governance and Risk Committee Meeting of the Shire of Peppermint Grove held in the Council Chambers on 12 May 2026 be confirmed as a true and accurate record.

Moved: Cr Mahony **Seconded: Cr Macintosh**

Carried 4/0

For: Presiding Member David Price, Cr Charles Hohnen, Cr Jessamy Mahony, Cr Peter Macintosh

Against: Nil

7 OFFICER REPORTS

7.1 2025 Compliance Audit Return

ATTACHMENT DETAILS

Attachment No	Details
Attachment	Compliance Audit Return for 2025 - Compliance Audit Return_LG-CAR-536026.pdf

Voting Requirement	Simple Majority
Subject Index	Financial management Audit
Disclosure of any Interest	Nil
Responsible Officer	J Clapham, Manager Corporate & Community Services
Authorising Officer	D Burnett, Chief Executive Officer

PURPOSE OF REPORT

The purpose of this report is to present to Council the 2025 Compliance Audit Return (CAR) for endorsement.

SUMMARY AND KEY ISSUES

The Compliance Audit Return comprises of a number of questions in regard to the Shire's compliance with regulation. There were no identified areas of non-compliance.

BACKGROUND

Completion of the Compliance Audit Return is a Statutory requirement and requires endorsement by the ARIC and adoption by Council.

Following the CAR being presented to Council, a certified copy of the return (signed by the Shire President and CEO), along with the relevant section of the minutes and any additional information be submitted to the Local Government Inspector no later than 30 September 2026.

CONSULTATION

There has been no specific external consultation undertaken in respect to this matter.

STRATEGIC IMPLICATIONS

There are no Strategic Plan implications evident at this time.

POLICY IMPLICATIONS

There are no significant policy implications evident at this time.

STATUTORY IMPLICATIONS

Local Government (Audit) Regulations 1996- Clauses 14 and 15

14. **Compliance audits by local governments**

(1) A local government must carry out an audit (a compliance audit) of the local government's compliance with the statutory requirements prescribed by regulation 13 for the period beginning on 1 January and ending on 31 December in each year.

(1A) Subregulation (1) is subject to regulation 15A.

(2) After a local government has carried out a compliance audit, the CEO must —

(a) prepare a compliance audit return in a form approved by the Inspector; and

(b) give a copy of the compliance audit return to the local government's audit, risk and improvement committee.

(3) The audit, risk and improvement committee must —

(a) review the compliance audit return; and

(b) report to the council the results of that review.

(4) When reporting to the council, the audit, risk and improvement committee must make any recommendations that the committee considers appropriate in relation to the compliance audit return.

(5) The council must consider the compliance audit return and the results of the audit, risk and improvement committee's review (including any recommendations) at a meeting of the council.

(6) The council must —

(a) determine if any matters raised by the audit, risk and improvement committee require action to be taken by the local government; and

(b) either —

(i) adopt the compliance audit return; or

(ii) adopt the compliance audit return subject to amendments proposed by the council

15. Signed compliance audit return and other information must be given to Inspector

(*1) After a compliance audit return has been adopted by the council under regulation 14(6)(b), the local government must give the following information to the Inspector —*

(a) a copy of the compliance audit return (or amended compliance audit return, if applicable), signed by the mayor or president and by the CEO;

(b) any recommendations made under regulation 14(4) after the audit, risk and improvement committee has reviewed the compliance audit return;

(c) a copy of the relevant section of the minutes of the meeting at which the compliance audit return was adopted by the council;

(d) any additional information explaining or qualifying the compliance audit.

(2) The information must be given to the Inspector no later than 31 March next following the period to which the return relates.

(3) The Inspector may extend the 31 March deadline.

[Regulation 15 inserted: SL 2025/211 r. 14.]

15A. Inspector may limit prescribed statutory requirements to be covered by compliance audit

(1) In this regulation —

period means a period for which a compliance audit is required under regulation 14(1) that begins on or after 1 January 2026;

prescribed statutory requirement means a statutory requirement prescribed by regulation 13.

(2) The Inspector may, in respect of a period, determine that a compliance audit —

(a) is not to cover all of the prescribed statutory requirements; and

(b) is instead to cover only the prescribed statutory requirements specified in the determination.

(3) The determination must be reflected in the form approved under regulation 14(2)(a) for the period.

(4) Subregulation (5) applies if —

(a) the Inspector makes determinations under subregulation (2) in respect of 3 consecutive periods; and

(b) there is a prescribed statutory requirement that is specified under subregulation (2)(b) in none of those determinations.

(5) If the Inspector makes a determination under subregulation (2) in respect of the period immediately after the 3 consecutive periods, the prescribed statutory requirement referred to in subregulation (4)(b) must be specified under subregulation (2)(b) in that determination (without limiting the other prescribed statutory requirements that may

FINANCIAL IMPLICATIONS

There are no financial implications evident at this time.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

SOCIAL IMPLICATIONS

There are no social implications at this time.

OFFICER COMMENT

The 2025 CAR consisted of a number of questions within the following compliance areas:-

- Local Government Act 1995
- Local Government (Administration) Regulations 1996
- Local Government (Audit) Regulations 1996
- Local Government (Constitution) Regulations 1998
- Local Government (Elections) Regulations
- Local Government (Financial Management) Regulations 1996
- Local Government (Functions and General) Regulations 1996

There were no matters of non-compliance.

OFFICER RECOMMENDATION – ITEM NO 7.1

That Council endorses the 2025 Compliance Audit Return.

COMMITTEE RECOMMENDATION – ITEM NO 7.1

That Council endorses the amended 2025 Compliance Audit Return, with answers to the questions below changed from Yes to N/A:

- **s. 5.16(1) Were all delegations to committees resolved by absolute majority?**
- **s. 5.17 Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 199?**
- **s. 5.18 Were all delegations to committees recorded in a register of delegations?**

Moved: Cr Hohnen **Seconded: Cr P Macintosh**

Carried 4/0

For: Presiding Member David Price, Cr Charles Hohnen, Cr Jessamy Mahony, Cr Peter Macintosh

Against: Nil

7.2 Matters for Information and Noting

ATTACHMENT DETAILS

Attachment No	Description
Attachments	ICT Review – Confidential CHIPS Reports – Confidential ICT Security Reports – Confidential Phishing Exercise Results – Confidential ARIC and Reg 19D Guidance document - ARIC and Reg 19D Guidance_for_Councillors_Q_A.pdf

Voting Requirement	Simple Majority
Subject Index	Financial management Audit
Disclosure of any Interest	Nil
Responsible Officer	Jeremy Clapham, Manager Corporate & Community Services
Authorising Officer	Don Burnett, CEO

PURPOSE OF REPORT

The Shire of Peppermint Grove regularly receives and produces information for receipt by the ARIC (Audit, Risk and Improvement Committee) Members. The purpose of this item is to keep ARIC Members informed on items of information received and produced by the Shire.

SUMMARY AND KEY ISSUES

- The Shire has contracted Cohesis to carry out an ICT review and health check.
- The Australian Signals Directorate provides quarterly CHIPS (Cyber Hygiene Improvement Programs) reports for the Shire.
- Integrated ICT provides the Shire monthly security reports.
- A phishing exercise was carried out by IICT in July 2026.
- LGIS sent out a guidance document relating to ARIC's and Reg 19D.

CONSULTATION

Consultation with LGIS, Cohesis,, Tango IT and Integrated ICT took place in regard to obtaining the information included in this report.

STRATEGIC IMPLICATIONS

Strategic Priority 5- Governance

Item 5.1- Continue to monitor the financial sustainability of the Shire's resources

POLICY IMPLICATIONS

Financial Management Policies

STATUTORY IMPLICATIONS.

Local Government (Financial Management) Regulations 1996.

FINANCIAL IMPLICATIONS

Budgeted costs to undertake the ICT review.

ENVIRONMENTAL IMPLICATIONS

There are no environmental implications at this time.

SOCIAL IMPLICATIONS

There are no Social Implications identified at this time.

OFFICER COMMENT

ICT Review

The Shire has an approved internal audit plan, with the ICT review being the first of 3 internal audits to take place. 3 submissions for the ICT Review were received, with management selecting Cohesis to carry out the review. The review will be completed before the end of December 2026. Results of the review will be brought to the ARIC when available.

CHIPS Reports

The Australian Signals Directorate (ASD) provides the Shire information on any cyber threats taking place and also provides quarterly CHIPS reports. These reports highlight any concerns in the Shire's security network. Any issues raised are brought to the attention to IICT for any remedial action to be carried out. In May 2026 the CHIPS report was forwarded to IICT for advice on an issue that was raised. IICT carried out remedial action in this regard (please see email attached).

ICT Security Reports

IICT provides monthly security reports which highlight any issues picked up in our ICT networks. Attached are the security reports for June 2026 with no security issues picked up.

Phishing Exercise – July 2026

A phishing exercise was carried out by IICT in July 2026 as per the contract with IICT. No staff had prior knowledge of the exercise in order to make it as authentic as possible. The results were very good, with only 1 person clicking on the link in the phishing email (that person did not enter any information in the link). The exercise was carried out with all staff and elected members. Further training will be provided in this regard and another phishing exercise will be carried out later in the year.

ARIC and Reg 19D guidance document

LGIS (Local Government Insurance Scheme) provided the Shire with a document which included frequently aske questions in regard to ARIC's and Reg 19D regulations. It is attached for members information.

OFFICER/COMMITTEE RECOMMENDATION – ITEM 7.2

That Council receives the information in this report.

Moved: Cr Mahony **Seconded: Cr P Macintosh**

Carried 4/0

For: Presiding Member David Price, Cr Charles Hohnen, Cr Jessamy Mahony, Cr Peter Macintosh

Against: Nil

7.3 Risk Register and outstanding debtors review

ATTACHMENT DETAILS

Attachment No	Details
	Risk Register - Shire of Peppermint Grove Risk Management and Reporting Tool - 2026.xlsm
	Aged Accounts Receivable as at 30 June 2026 - Confidential

Voting Requirement	:	Simple Majority
Subject Index	:	Financial management Audit
Disclosure of any Interest	:	Nil
Responsible Officer	:	Jeremy Clapham, Manager Corporate & Community Services

PURPOSE OF REPORT

The purpose of this report is to provide the ARIC committee with documentation relevant to risk management and outstanding debtors at the Shire.

SUMMARY AND KEY ISSUES

Risk management is a key issue for any organisation and the Shire seeks to address risk management by keeping various documents up to date in order to keep on top of risk management. Debtors are monitored closely at the Shire, in particular rates debtors.

BACKGROUND

In order for the Shire to manage risk in an ever changing and volatile environment, there is a need to ensure that relevant documents are kept up to date and that the risk environment is managed with best practice in mind. Debtors collection at the Shire is monitored closely to ensure minimal outstanding debtors at year end.

CONSULTATION

There has been no specific external consultation undertaken in respect to this matter.

STRATEGIC IMPLICATIONS

There are no Strategic Implications identified at this time.

POLICY IMPLICATIONS

Financial Management Policies.

STATUTORY IMPLICATIONS.

Local Government (Financial Management) Regulations 1996

FINANCIAL IMPLICATIONS

Rates debtors at year end are in credit therefore there are minimal financial implications. Credit balances will be carried forward to the following financial year unless the debtor has requested a refund. .

ENVIRONMENTAL IMPLICATIONS

There are no Environmental Implications identified at this time.

SOCIAL IMPLICATIONS

There are no Social Implications identified at this time.

OFFICER COMMENT

- **Risk Register –** The Shire has a Risk Register which incorporates the Risk Management and Reporting Tool. The Senior Management Team (SMT) reviews the Risk Register at the end of each month by going through a single identified risk category at each meeting and updating the Key Controls, Current Actions and Indicators. There are 15 risks listed and so far 14 have been reviewed by SMT since December 2024, with 1 remaining. These will all have been reviewed by September 2026.

- **Aged Accounts Receivable as at 30 May 2026 (Confidential Document) –** the attached list shows all of the outstanding debtors as at 30 June 2026, including rates debtors and sundry debtors. Total outstanding debtors is $78,985.17, which includes debit and credit balances. Credit balances result from over payment or double payment by ratepayers. These ratepayers have been contacted in regard to these balances and if requested, the Shire has refunded them. Some have elected to leave the credit balance to contra the next years rates billing. There is only 1 large debit balance, being $132,000 by DPIRD for a grant to be used for PSHB (shot hole borer) damage mitigation. The funds for this grant were received in July 2026.

OFFICER/COMMITTEE RECOMMENDATION – ITEM 7.3

That Council receives the information in this report.

Moved: Cr Hohnen **Seconded: Cr P Mahony**

Carried 4/0

For: Presiding Member David Price, Cr Charles Hohnen, Cr Jessamy Mahony, Cr Peter Macintosh

Against: Nil

8. CLOSURE

There being no further business, the meeting closed at 4:54pm