



Peppermint Grove  
*The Garden Shire*

**AUDIT, RISK AND IMPROVEMENT  
COMMITTEE MEETING**

**AGENDA**

**TO BE HELD ON THE**

**12<sup>TH</sup> MAY 2026 AT 04:30 PM**



# Shire of Peppermint Grove

## NOTICE OF MEETING

Dear Committee Member

It is advised that the **Audit, Risk and Improvement Committee Meeting** will be held in the Council Chambers at the **Shire of Peppermint Grove**, 1 Leake Street, Peppermint Grove, on 12<sup>th</sup> May 2026 at 04:30 pm.

## MEETING AGENDA ATTACHED

Yours faithfully

A handwritten signature in black ink, appearing to read 'Don Burnett', is placed below the text 'Yours faithfully'.

**Mr Don Burnett**  
**CHIEF EXECUTIVE OFFICER**

**DATE 5<sup>TH</sup> May 2026**



# Peppermint Grove

## *The Garden Shire*

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# Shire of Peppermint Grove

## AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING AGENDA

12<sup>th</sup> May 2026

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### 1 DECLARATION OF OFFICIAL OPENING

At \_\_\_\_\_ 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
Deputy Shire President	Cr P Dawkins
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

Director – Financial Audit OAG	Mr S Hoar
Executive Director – Pitcher Partners	Mr M Van Der Merwe

#### 2.3 APOLOGIES

#### 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 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 10<sup>th</sup> March 2026 be confirmed as a true and accurate record.

## 7 OFFICER REPORTS

### 7.1 Entrance meeting with the external auditor and the Office of the Auditor General

#### ATTACHMENT DETAILS

<u>Attachment No</u>	<u>Details</u>
Attachment	SOPG Audit Plan 2025-26 - <a href="#">SOPG - Audit Plan 25-26.pdf</a>

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 purpose of this report is for Marius van der Merwe from Pitcher Partners and Steve Hoar from the Office of Auditor General to provide a presentation on the audit plan for the 2025/26 financial year.

#### SUMMARY AND KEY ISSUES

A presentation will be provided for the information of the ARIC Committee prior to the commencement of the 2025/26 audit including any matters relating to the library management and joint venture.

#### BACKGROUND

The meeting will provide information on the requirements of the Audit process and details of the audit process.

#### CONSULTATION

There has been no specific 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**

There are no Financial Implications identified at this time.

**ENVIRONMENTAL IMPLICATIONS**

There are no Environmental Implications identified at this time.

**SOCIAL IMPLICATIONS**

There are no Social Implications identified at this time.

**OFFICER COMMENT**

The presentation will be conducted by Marius van der Merwe and Steve Hoar and it will provide information for the Committee to understand the process and timeframe for the 2025/26 Financial year audit.

**OFFICER RECOMMENDATION – ITEM 7.1**

**That Council notes the Entrance meeting presentation provided by representatives of Pitcher Partners and the Office of the Auditor General.**

## 7.2 Matters for Information and Noting

### ATTACHMENT DETAILS

Attachment No	Description
Attachments	OAG Local Government Report on Gifts and Benefits Management 2026 - <a href="#">OAG Local Government Report on Gifts and Benefits Management 2026.pdf</a> OAG Local Government Information Systems Audit 2025 - <a href="#">OAG Local Government Information Systems Audit 2025.pdf</a> OAG Local Government Financial Audit Results 2025 - <a href="#">OAG Local Government Financial Audit Results 2025.pdf</a>

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.

The Matters for Information and Noting Report includes the following matters:-

- The Office of the Auditor General (OAG) releases a number of reports during the year. Reports relevant to the ARIC are included for information purposes.
- The Department of Local Government, Industry Regulation and Safety (DLGIRS) has updated the MyCouncil website with Local Government Financial Index (LGFI) information for 2023/24 and other statistical data.

### SUMMARY AND KEY ISSUES

- Three reports issued by the OAG have been included for the information of the committee.
- DLGIRS updated the MyCouncil website with information on all local governments for the year ended June 2024.

### CONSULTATION

No external consultation took place.



## **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**

No financial implications at this time.

## **ENVIRONMENTAL IMPLICATIONS**

There are no environmental implications at this time.

## **SOCIAL IMPLICATIONS**

There are no Social Implications identified at this time.

## **OFFICER COMMENT**

Reports released by the OAG which may be of interest to the Shire.

The OAG released the following reports during the financial year which may be of interest to the Shire:

- **OAG Local Government Report on Gifts and Benefits Management 2026.** This report highlights how local governments managed gifts and benefits. 6 Local governments were assessed and DLGIRS was assessed in regard to providing effective guidance to the sector. The Shire of Peppermint Grove does not receive much in the way of gifts or benefits, however, notice is taken from the findings of this report, where there were a number of issues raised.
- **OAG Local Government Information Systems Audit 2025.** This report focused on the computer environment of entities to determine if their general computer controls effectively support the confidentiality, integrity and availability of information systems and the information they hold. The Shire of Peppermint Grove has internally assessed it's systems against the 10 general computer controls listed in the report, with the following findings:

### 1. Access management – Effective

Access management controls are largely in place and operating effectively. Role-based access, access provisioning and removal processes, and controls around privileged access

are established. Minor improvement opportunities are building consistency and ongoing review, but overall risk exposure is low.

## 2. Information security framework – Adequate

While operational controls exist, the overarching information security framework (policies, governance, and strategic oversight) is undergoing further reviews to seek improvements. There is the possibility that controls are not always applied consistently or reviewed appropriately due to outsourcing most actions, stricter rules for contractors will negate it. This section would benefit from additional formalisation from a governance perspective and to hold Managed Service Providers (MSPs) accountable.

## 3. Endpoint security – Adequate

Endpoint security is constrained by architecture and dependency on legacy systems that operate on virtual machines. While this does not represent an immediate risk, it increases the Shire's exposure. Processes are in place to address this potential exposure.

## 4. Human resource security – Adequate

Background checks (beyond reference checks and police clearance) are carried out as required based on the sensitivity of the role. Cyber literacy is being addressed through phishing campaigns and cyber awareness sessions. Technical controls are strong and have reduced reliance on the users ability to detect social-engineered attacks.

## 5. Network security – Adequate

Core network controls such as firewalls are in place; penetration testing is currently planned to further identify areas of improvement. With the addition of independent validation a better weighting can be placed upon the prioritisation of patches and improvements. The Shire has a number of vendors with elevated access and invitation into our networks which will be reviewed alongside better controls applied to processes carried out by MSPs.

## 6. Business continuity – Effective

While formal planning may not be as deep as larger councils, the choice of key cloud based business systems reduces a lot of the risks councils are typically faced with which would require much tighter controls to maximise up-time. Multiple fallback options exist, and staff could feasibly access systems remotely (including via mobile devices). The ability to pivot for environmental or people-based disruptions positions the Shire well, with only minor maturity gaps in formal documentation.

## 7. IT operations – Effective

Day-to-day IT operations are generally effective. Minor weaknesses exist around formality, documentation or supplier management rather than operational failure. Overall, IT services are stable and support business needs adequately.

## 8. Risk management – Effective

IT and cyber risks are being identified in good time, regularly reported, and recorded in the risk register. This demonstrates that we have a functioning risk management process, with further maturity available through deeper controls rather than structural change.

## 9. Change management – Improvement

Several projects and changes are facing some challenges and would benefit from adjustment. While they do not create any cyber-security concerns, they do affect the effectiveness of delivery, overall stability, and confidence in resolving matters. Strengthening change management processes will help reduce the risk of any downtime, prevent duplicated efforts, and make it easier to identify where support is needed.

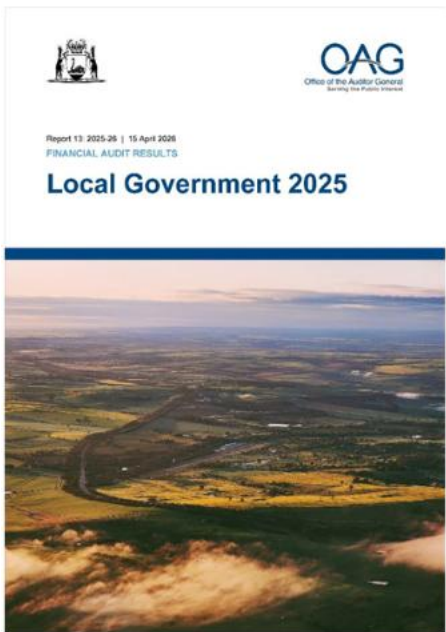
10. Physical security – Effective

Physical security is strong. On-premise servers are no longer in use, access is controlled, and remaining systems are protected behind GMK locks with access limited to around five staff members. This significantly reduces physical risk, with only minor governance or review considerations remaining.

	<b>Area</b>	<b>Rating</b>	<b>High Level Position</b>
1	Access management	Effective	Controls mostly sound
2	Information security framework	Adequate	Governance and policy maturity needs uplift
3	Endpoint security	Adequate	Architectural and segregation limitations
4	Human resource security	Adequate	People-related risk can be improved upon
5	Network security	Adequate	Core controls exist
6	Business continuity	Effective	Strong resilience, lighter documentation
7	IT operations	Effective	Generally effective day-to-day operations
8	Risk management	Effective	Risks identified and managed in a timely manner
9	Change management	Improvement	Delivery discipline and consistency can be improved
10	Physical security	Effective	Strong modern posture, minimal on-prem risk

Any weaknesses highlighted will be dealt with through the internal audit process and engagement with the ICT contractors.

- **OAG Local Government Financial Audit Results 2025.** This report summarises the final results of the annual audits of 138 of 147 local government entities for the year ended 30 June 2025. The Shire of Peppermint Grove had a clean audit with an unqualified audit report and no management items to be reported on. The Shire also made the Top 20 Best Practice list of Band 3 and 4 local governments. This is the result of a lot of hard work from the finance and admin teams at the Shire. A congratulatory email from the OAG was sent to the Manager of Corporate and Community Services.



Dear Jeremy

Congratulations, we have recognised your entity, Shire of Peppermint, as one of the 2025 best practice entities for your financial reporting and controls.

This achievement acknowledges your entity's performance across a number of criteria including a clear opinion, timely preparation of CEO-certified financial report, high quality financial report and working papers, and maintenance of good financial management controls.

I have included your best practice status in the [Local Government 2025 – Financial Audit Results](#) tabled to Parliament today.

Once again, congratulations to you and your team.

Regards

Grant Robinson  
Assistant Auditor General – Financial Audit

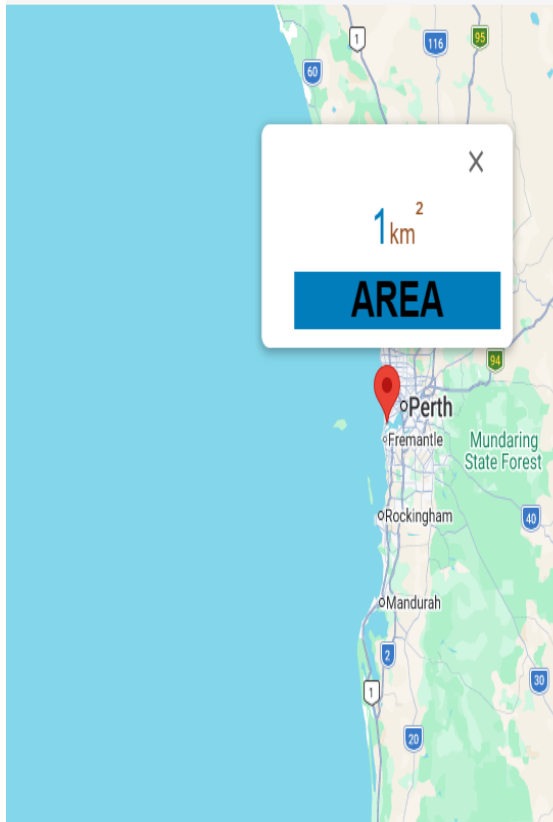
DLGIRS updated the MyCouncil website with information on all local governments for the year ended June 2024. DLGIRS has made an effort in the last 2 years to update the My Council website - [MyCouncil - Home Page](#) with relevant information on each local government. One of the areas that has been updated is the LGFI (Local Government Financial Index) for the year ended June 2024. The Shire achieved a score of 88 (down from 100 in 22/23, but still above the bench mark). The reason for the reduction is that the Shire

received less capital grants in 23/24 than it did in 22/23. This has an effect on the calculation of the Operating Surplus Ratio, which includes capital grants in the calculation.



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## Shire of Peppermint Grove

Viewing 2023/2024

1,736 ↑  
Population

1,175 ↓  
Electors

7  
Council Members

2% ↑  
Rate Growth

88  
LGF

19  
FTE

\$4,291,783 ↑  
Revenue

\$4,264,661 ↑  
Operating Expenditure

\$33,196,196 ↔  
Total Value Of Assets

4 ↔  
SAT Band

1,111 ↔  
Socio-Economic Index Score

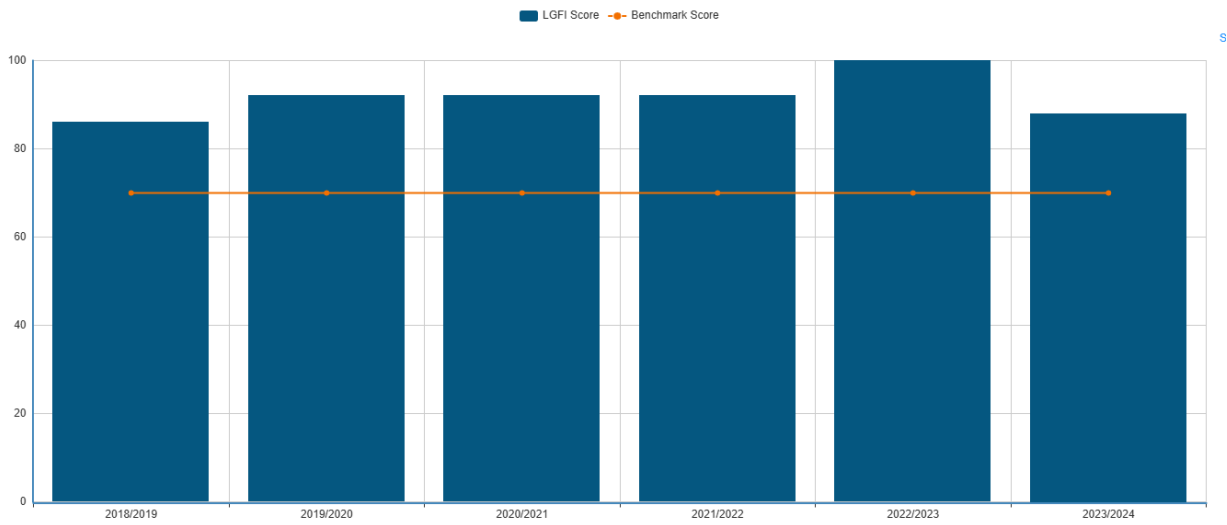
## Local government financial indicator (LGFI)

The Local Government Financial Indicator (LGFI) has been designed to provide community members, stakeholders and the LGIRS with at-a-glance insights to local government financial performance. The LGFI does NOT purport to provide a definitive representation of a local government's financial health. Rather, the LGFI provides point-in-time insights to a local government's ability to meet its short term financial obligations (Liquidity); fund its longer term financial obligations (Solvency); and access funding (either internal or external) to deliver services and maintain infrastructure (Financial Flexibility). The benchmark score is 70. Find out more information about the LGFI methodology (DOCX 0.4MB).

Data source: The ratios underpinning the LGFI score are calculated annually by LGIRS using data extracted from each local governments Annual Financial Reports.

### LGFI Score

Financial Year	2018/2019	2019/2020	2020/2021	2021/2022	2022/2023	2023/2024
LGFI Score	86	92	92	92	100	88



## OFFICER RECOMMENDATION – ITEM 7.2

**That Council receives the information in this report.**

### 7.3 ARIC Work Plan, Risk Register and related documents review

#### ATTACHMENT DETAILS

<b>Attachment No</b>	<b>Details</b>
<b>Attachments</b>	ARIC Work Plan 2026 - <a href="#">ARIC Work Plan 2026.pdf</a>
	Risk Register - <a href="#">Shire of Peppermint Grove Risk Management and Reporting Tool - 2025.pdf</a>
	SOPG Risk Management Policy - <a href="#">SOPG Risk Management Policy.pdf</a>
	ICT Disaster Recovery Plan - <a href="#">ICT Disaster Recovery Plan - SOPG 2026.pdf</a>
	Records Disaster Management Plan 2026 - <a href="#">Records Disaster Management Plan 2026.pdf</a>
	Aged Accounts Receivable as at 30 April 2026 (Confidential) – attached under separate cover

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

#### PURPOSE OF REPORT

The purpose of this report is to provide the ARIC committee with documentation relevant to risk management 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.

#### 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.

#### CONSULTATION

There has been no specific 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**

There are no Financial Implications identified at this time.

## **ENVIRONMENTAL IMPLICATIONS**

There are no Environmental Implications identified at this time.

## **SOCIAL IMPLICATIONS**

There are no Social Implications identified at this time.

## **OFFICER COMMENT**

- **ARIC Work Plan 2026** – this plan outlines the workflow that will be brought to each ARIC meeting during 2026. It will be updated each year.
- **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 10 have been reviewed by SMT since December 2024, with 5 remaining. These will all have been reviewed by September 2026.
- **Risk Management Policy** – the Shire has a Risk Management Policy 3.5, which in it's current form, has been in place since 2022. It is due to be reviewed in 2026/27.
- **ICT Disaster Recovery Plan** – the aim of this plan is to set out the mitigation, preparation, warning, response and business continuity arrangements for the core IT systems of the Shire. This plan has been updated in May 2026.
- **Records Disaster Management Plan** - The Shire's RDMP enhances the Shire's ability to respond to a records disaster should one occur. The objective of the RDMP is to reduce damage and loss of the Shire's records in the event of an event and to maximise their protection and restoration. It will demonstrate that an Assessment of



Risks, Assessment of the Impacts of Disasters and Strategies for Prevention and Response has been addressed and, the roles and responsibilities for all employees are defined. This plan has been updated in May 2026.

- **Aged Accounts Receivable as at 30 April 2026 (Confidential Document)** – the attached list shows all of the outstanding debtors as at 30 April 2026, including rates debtors and sundry debtors. There is only one large outstanding sundry debtor. This amount is a quarterly invoice for the management of the Grove Library and will be paid before the end of May. Total outstanding rates debtors is \$37,564, which includes debit and credit balances. Credit balances add up to \$64,120 and debit balances add up to \$101,684. 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 will refund them. Some have elected to leave the credit balance to contra the next years rates billing. The debit balance of \$101,684 represents 2.64% of the total rates billing. Of this total, \$87,546 has been handed over to the Shire’s debt collectors. The balance of \$14,138 is made up of small balances and deferred pensioner rates, which are not yet due.

**OFFICER RECOMMENDATION – ITEM 7.3**

**That Council receives the information in this report.**

**8. CLOSURE**

There being no further business, the meeting closed at .....