



ATTACHMENTS

Audit, Risk and Improvement Committee

Tuesday 03 March 2026

5.00pm

Council Chambers

AUDIT, RISK AND IMPROVEMENT COMMITTEE
ATTACHMENTS – 03/03/2026

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AR184: ARIC TERMS OF REFERENCE

The following full Terms of Reference and the abridged agenda version are mutually consistent, legally compliant, and accurately reflect the City of Albany's statutory and delegated ARIC framework under the *Local Government Act 1995 (WA)* and relevant regulations.

Abridged Version:

Below is a one-page, front-of-agenda ARIC Terms of Reference summary:

City of Albany
Audit, Risk and Improvement Committee (ARIC)
Terms of Reference – Summary
(For inclusion at front of ARIC agendas)

Establishment and Role

The Audit, Risk and Improvement Committee (ARIC) is a Committee of Council established under section 5.8 and section 7.1A of the *Local Government Act 1995 (WA)*.

The ARIC primarily operates in an advisory capacity to Council, except where Council has formally delegated specific powers and duties to the Committee in accordance with the Act and the City's Register of Delegations and Authorisations.

Purpose

The ARIC assists Council to discharge its governance responsibilities by providing independent oversight and advice in relation to:

- financial audit and audit reporting;
- compliance audits and statutory reporting;
- risk management and internal controls;
- the effectiveness of systems and procedures for financial management, legislative compliance and risk management; and
- implementation of agreed actions arising from audits, reviews and recommendations.

In fulfilling its role, ARIC also supports continuous improvement by monitoring the effectiveness of governance arrangements and considering opportunities to strengthen organisational capability and maturity.

Authority and Limitations

- The ARIC is responsible to Council and has no executive or financial authority, other than powers expressly delegated by Council.
- The Committee may request information from management, require officers to attend meetings, and meet with auditors (with or without management present).
- Independent advice may be obtained through the CEO in accordance with City procurement and governance processes.
- Sub-delegation of powers is not permitted.

Statutory Functions

In accordance with regulation 16 of the *Local Government (Audit) Regulations 1996*, the ARIC:

- reviews reports on audits, compliance audits and CEO reviews;
- reviews the effectiveness of the City's systems and procedures for financial management, legislative compliance and risk management;
- monitors implementation of actions arising from audits and reviews; and
- makes recommendations to Council.

The CEO must review the City's systems and procedures at least once every four financial years and report the results to the ARIC.

Delegated Audit Functions

Under delegation from Council (LG9.01), the ARIC is authorised to:

- meet with the City's Auditor at least once each year on behalf of Council;
- examine the Auditor's report, determine matters requiring action, and ensure appropriate action is taken; and
- review and endorse the City's report on actions taken in response to an Auditor's report prior to submission to the Minister.

Conditions:

The delegation must not be exercised where significant issues are raised in an Auditor's Report or Management Letter, in which case the matter must be considered directly by Council. Decisions made under delegation must be clearly recorded in the Committee's minutes.

Membership

The ARIC comprises at least three members, including:

- an Independent Presiding Member (Chair);
- an Independent Deputy Presiding Member (Deputy Chair); and
- at least one other member (elected or independent, as determined by Council).

City employees cannot be members. The Chair and Deputy Chair must not be councillors of any local government.

Meetings and Reporting

- The ARIC meets at least quarterly.
- A quorum is a majority of members, including at least one independent member.
- The ARIC reports to Council through meeting minutes, formal recommendations and action-tracking reports.
- The ARIC reviews the annual Compliance Audit Return and provides recommendations to Council prior to submission to the Local Government Inspector.

Conduct and Review

Members must comply with the Act, applicable regulations and the City's Code of Conduct, and appropriately manage conflicts of interest.

Council reviews the ARIC Terms of Reference at least every two years. The ARIC periodically assesses its own effectiveness.

Full version:

City of Albany
Audit, Risk and Improvement Committee (ARIC)
Terms of Reference
(Proposed Draft)

1. Establishment and Legislative Basis

1.1 The City of Albany (the City) has established a Committee of Council known as the Audit, Risk and Improvement Committee (ARIC) under section 5.8 of the *Local Government Act 1995 (WA)* (the Act), as required by section 7.1A(1).

1.2 The ARIC operates in accordance with:

- the *Local Government Act 1995 (WA)*, including Part 7 Division 1A;
- the *Local Government (Audit) Regulations 1996 (WA)*;
- the *Local Government (Local Government Inspector) Regulations 2025 (WA)*, insofar as they relate to compliance audits and reporting; and
- any other applicable written law.

1.3 The ARIC is primarily an advisory committee to Council, except to the extent that Council has delegated specific powers and duties to the ARIC in accordance with the Act and the City's Register of Delegations and Authorisations.

2. Purpose

The purpose of the ARIC is to assist Council to discharge its governance responsibilities by providing independent advice and oversight in relation to:

- financial audit and audit reporting;
- compliance audits and statutory compliance reporting;
- risk management and internal controls;
- the effectiveness of systems and procedures for financial management, legislative compliance and risk management; and
- implementation of agreed actions arising from audits, reviews, compliance returns and recommendations.

3. Authority, Role and Limitations

3.1 The ARIC is a formally appointed Committee of Council and is responsible to Council.

3.2 The ARIC has no executive powers or delegated financial authority other than those powers and duties expressly delegated by Council in accordance with the Act.

3.3 In performing its role, the ARIC may:

- request relevant information and reports from management;
- require the CEO and relevant employees to attend meetings to provide briefings (employees are not members);
- meet with the external auditor and/or internal audit service providers, with or without management present; and
- obtain independent legal, financial, audit or risk advice through the CEO, in accordance with City procurement and governance processes.

4. Functions (Statutory and Delegated)

4.1 Statutory Functions

The ARIC has the functions prescribed by regulation 16 of the *Local Government (Audit) Regulations 1996*, including to:

Audit and Compliance

- receive and review reports on:
 - audits under Part 7 of the Act;
 - compliance audits; and
 - CEO reviews under regulation 17; and
- recommend appropriate actions to Council in response to those reports.

Systems and Procedures

- receive and review reports on the appropriateness and effectiveness of the City's systems and procedures for:
 - financial management;
 - legislative compliance; and
 - risk management; and
- recommend improvements to Council.

Implementation and Follow-up

- review and monitor implementation of actions:
 - required under the Act;
 - arising from audit and compliance reporting; and
 - agreed by Council in response to recommendations.

Other Functions

- perform any other function conferred on the ARIC by the Audit Regulations or another written law.

4.2 CEO Reviews

In accordance with regulation 17, the CEO must review the effectiveness of the City's systems and procedures for financial management, legislative compliance and risk management at least once every four financial years and report the results to the ARIC. The ARIC will consider the results and make recommendations to Council as appropriate.

4.3 Delegated Audit Functions

Under delegation from Council made pursuant to section 7.1B of the Act (Delegation Reference LG9.01), the ARIC is authorised to perform the following functions on behalf of Council:

- meet with the City's Auditor at least once each year on behalf of Council, in accordance with section 7.12A(2) of the Act;
- examine the Auditor's report and determine matters that require action to be taken by the City, and ensure appropriate action is taken in respect of those matters, in accordance with section 7.12A(3) of the Act; and
- review and endorse the City's report on actions taken in response to an Auditor's report prior to it being forwarded to the Minister, in accordance with section 7.12A(4) of the Act.

4.4 Conditions and Limitations on Delegated Authority

- The delegated authority must not be exercised where a Management Letter or Auditor's Report raises significant issues. In such circumstances, meetings with the Auditor must be conducted by Council.
- The ARIC must comply with any conditions or limitations imposed by Council when exercising delegated powers or duties.
- Decisions made under this delegation must be clearly identified and recorded in the ARIC's minutes in accordance with regulation 19 of the *Local Government (Administration) Regulations 1996*.

4.5 Sub-Delegation

In accordance with section 7.1B of the Act, the ARIC must not sub-delegate any power or duty delegated to it by Council.

5. Key Work Program (Non-Exhaustive)

The ARIC's annual work program will normally include:

External Audit

- review audit plans and scope (where provided);
- receive and review audit reports and management letters; and
- monitor management action plans.

Compliance Audit Return

- review the annual Compliance Audit Return;
- report findings and recommendations to Council; and
- monitor actions arising from compliance matters and Inspector feedback.

Risk Management

- review the risk management framework, risk registers and treatment progress; and
- consider business continuity and crisis management arrangements (where reported).

Internal Controls and Assurance

- review internal control issues, audit findings and assurance activities; and
- oversee the internal audit function, including endorsement of an annual internal audit plan and review of internal audit reports.

Continuous Improvement

- monitor implementation of audit and review actions; and
- consider governance and organisational improvement initiatives.

6. Membership and Appointment

6.1 Composition

The ARIC will comprise at least three members, including:

- an Independent Presiding Member (Chair);
- an Independent Deputy Presiding Member (Deputy Chair); and
- at least one other member, who may be an elected member or independent member, as determined by Council.

Employees of the City must not be members, and no member may be appointed to represent an employee.

The Presiding Member and Deputy Presiding Member must not be councillors of any local government.

A deputy of the Presiding Member must be appointed in accordance with section 7.1B of the Act.

6.2 Skills and Independence

Members should collectively have skills in audit and assurance, public sector or local government finance, risk management, governance and compliance.

Independent members will be appointed through a transparent process and must disclose interests and conflicts.

6.3 Term and Vacancies

Council will determine appointment terms for independent members (recommended 2–3 years). Vacancies will be filled by Council appointment.

6.4 Remuneration

Independent members may be paid sitting fees and reimbursed expenses in accordance with the Act and relevant determinations.

7. Chairing and Decision-Making

7.1 The Presiding Member is responsible for chairing meetings and ensuring the ARIC fulfils its functions.

7.2 In the absence of the Presiding Member, the Deputy Presiding Member will preside.

7.3 Decisions are made by simple majority, in accordance with the Act.

8. Meetings

8.1 **Frequency:** At least quarterly, with additional meetings as required.

8.2 **Quorum:** A majority of appointed members, including at least one independent member, unless Council determines otherwise.

8.3 **Attendance:** The CEO (or delegate), Chief Financial Officer, risk and compliance officers and others may attend by invitation. External and internal auditors may attend for relevant items.

8.4 **Papers and Minutes:** Agendas and papers will be circulated in advance. Minutes will record attendance, disclosures, key matters and recommendations.

8.5 **Confidentiality:** Members must maintain confidentiality of ARIC information, particularly for audit, legal, personnel or commercially sensitive matters.

8.6 **Electronic Attendance:** Permitted in accordance with applicable legislative provisions.

9. Reporting and Accountability

9.1 The ARIC reports to Council through:

- meeting minutes and formal recommendations;
- an action tracking register for audit and compliance matters; and
- periodic status reports on implementation progress.

9.2 Compliance Audit Reporting

The ARIC will review the annual Compliance Audit Return and provide recommendations to Council. The ARIC will oversee readiness and completeness of documentation prior to Council adoption and submission to the Local Government Inspector.

10. Relationship with the Local Government Inspector

The ARIC will support Council and the CEO to meet statutory obligations relating to compliance audits and Inspector reporting within the ARIC's functions and will consider Inspector guidance or changes to prescribed requirements as relevant.

11. Conflicts of Interest and Conduct

Members must disclose and manage conflicts of interest in accordance with the Act, regulations and the City's Code of Conduct, and act with integrity, objectivity and in the best interests of the City and community.

12. Review of Terms of Reference and Performance

12.1 Council will review these Terms of Reference at least every two years, or earlier if required by legislative or governance changes.

12.2 The ARIC will periodically assess its performance and report improvement actions to Council (recommended annually).

Reform Item	What is it?	How is it required?	When is it required?	DLG Status	CoA Status	Accountable Manager	Notes	Assurance Status
Tranche 1								
Changes to Special Electors Meetings	Updates meeting procedures to improve accessibility, participation and administrative efficiency for Special Electors' Meetings.	Act Amendment	19-May-23	Implementation	Complete	Manager Governance & Risk	Legislative reform implemented May 2023. Procedures embedded within Governance practices. No residual implementation risk identified. Ongoing compliance maintained through meeting administration procedures.	Embedded Compliance
Compliance Exemptions from the Act	Introduces targeted legislative exemptions reducing administrative burden while maintaining core accountability requirements.	Act Amendment	1-Jul-23	Implementation	Complete	Manager Governance & Risk	Reform transitioned to business-as-usual legislative environment. Exemptions now form part of normal operational compliance framework. No further reform monitoring required.	Embedded Compliance
Parental Leave for Council Members	Establishes statutory parental leave entitlements for elected members through approved leave of absence provisions.	Act Amendment	1-Jul-23	Implementation	Complete	Manager Governance & Risk	Legislative entitlement operational since July 2023. Governance processes and leave provisions aligned with Act requirements. Compliance risk assessed as low.	Embedded Compliance
Recording votes in minutes of Council Meetings	Requires individual elected member votes to be formally recorded in Council meeting minutes to improve transparency.	Act Amendment	1-Jul-23	Implementation	Complete	Manager Governance & Risk	Statutory transparency requirement embedded in minute-taking procedures. Responsibility rests with CEO under amended Act provisions. Compliance assured through governance quality review.	Embedded Compliance
Classes for Local Governments	Classifies local governments by size and capacity to apply proportionate governance and regulatory obligations.	Act Amendment	1-Jul-23	Implementation	Complete	N/A	City of Albany confirmed as Class 1 local government. Classification now informs applicability of future reforms including CEO superannuation and recruitment standards. Monitoring only.	Operational - Monitoring
Changes for 2023 Elections	Modernises local government electoral processes to improve integrity, accessibility and administration.	Regulation	2023 Election Cycle	Implementation	Complete	Manager Governance & Risk	Electoral reforms successfully implemented. No ongoing reform activity required outside normal electoral compliance obligations.	Embedded Compliance
Payment and reimbursement of training for Council Members	Requires local governments to fund and support elected member training and professional development.	Regulation	19-Oct-23	Implementation	Complete	Manager Governance & Risk	Policy framework implemented and aligned with reform intent. Scheduled policy review in 2026 will confirm continued legislative alignment.	Operational - Monitoring
Owners and occupiers enrolment changes	Updates eligibility and enrolment processes for owners and occupiers voting in local government elections.	Regulation	1-Jan-24	Implementation	Complete	Manager Governance & Risk	Legislative amendments operational. Existing enrolments grandfathered. Governance and Rates teams monitoring future regulatory adjustments.	Operational - Monitoring
Payment for independent committee members	Enables remuneration of independent committee members to strengthen governance oversight capability.	Regulation	1-Jan-24	Implementation	Complete	Manager Finance	Remuneration framework implemented and funded within governance budget allocations. Supports independent oversight objectives of reform program.	Embedded Compliance
Caretaker period provisions	Establishes statutory restrictions on decision-making during election caretaker periods.	Act Amendment	1-Jul-24	Implementation	Complete	Manager Governance & Risk	Caretaker Period Policy (1.24) updated to align with legislative provisions.	Embedded Compliance
Purchase Card Reporting	Strengthens financial transparency through enhanced reporting of purchase card expenditure.	Regulation	2024 (Progressive commencement)	Implementation	Complete	Manager Finance	Reporting requirements embedded within financial management controls. Reform obligations now considered business-as-usual financial governance practice.	Embedded Compliance

Reform Item	What is it?	How is it required?	When is it required?	DLG Status	CoA Status	Accountable Manager	Notes	Assurance Status
Long Service Leave	Aligns local government long service leave arrangements with contemporary employment standards.	Regulation	2024 (Progressive commencement)	Implementation	Complete	Manager People & Culture	Employment entitlement aligned with updated legislative framework. Managed operationally through People & Culture systems. No reform action outstanding.	Embedded Compliance
Livestreaming and recording requirements for council meetings	Requires Council meetings to be livestreamed and recorded to improve public transparency and access.	Regulation	1-Jan-25	Implementation	Complete	Manager Information Technology	Statutory requirement effective January 2025. Technology and procedures operational. Reform transitioned to ongoing compliance obligation.	Embedded Compliance
Tranche 2								
Roles & Responsibilities – Council (s2.7)	Clarifies Council’s strategic governance role including policy setting, resource allocation and CEO oversight.	Act Amendment	6-Dec-24	Implementation	N/A	Manager Governance & Risk	Governance role clarification now embedded within legislative framework. Reinforces separation between strategic governance and administration. Education ongoing for elected members.	Operational - Monitoring
Roles & Responsibilities – Mayor/President (s2.8)	Defines leadership responsibilities of the Mayor/President including governance leadership and representation.	Act Amendment	6-Dec-24	Implementation	N/A	Manager Governance & Risk	Leadership responsibilities clarified by statute. Incorporated into elected member induction and governance training materials.	Operational - Monitoring
Roles & Responsibilities – Council Members (s2.10)	Establishes behavioural, representative and governance expectations for elected members.	Act Amendment	6-Dec-24	Implementation	N/A	Manager Governance & Risk	Behavioural and governance expectations strengthened under amended Act. Supports positive organisational culture reform objective.	Operational - Monitoring
Minutes Responsibility (s5.22)	Transfers statutory responsibility for meeting minutes from the Presiding Member to the CEO.	Act Amendment	6-Dec-24	Implementation	N/A	Manager Governance & Risk	Responsibility formally transferred to CEO. Governance procedures updated accordingly. No implementation risk remaining.	Embedded Compliance
CEO Functions (s5.41)	Clarifies CEO authority over administration, operations, systems and provision of professional advice to Council.	Act Amendment	6-Dec-24	Implementation	N/A	Manager Governance & Risk	Amendment reinforces CEO statutory authority over administration, systems and advice to Council. Incorporated into governance education framework.	Operational - Monitoring
Notification of Council Member Resignations	Requires CEO notification to the Director General when council member vacancies occur.	Act Amendment	6-Dec-24	Implementation	N/A	Manager Governance & Risk	Administrative requirement operational. Governance team maintains compliance monitoring and reporting process to Director General.	Embedded Compliance
LOCAL LAW & GOVERNANCE REFORMS								
Local Laws Reform	Streamlines local law processes and introduces a mandatory 15-year review cycle with automatic repeal if not reviewed.	Act Amendment	6-Dec-24	Implementation	In progress	Manager Governance & Risk	Reform introduces 15-year mandatory review cycle and streamlined adoption processes. Review program being aligned to avoid automatic repeal risk. Monitoring continues. Local Law EMT Briefing conducted in May 2025. MGR: Emerging Reform Risk (automatic repeal exposure), noting Automatic repeal creates potential strategic legislative risk if review schedule not actively managed.	
Regional Subsidiaries (Act)	Enables local governments to establish regional subsidiary entities to deliver shared services or functions.	Act Amendment	6-Dec-24	Implementation	N/A	Manager Governance & Risk	Enabling legislation operational. No current subsidiary proposed; governance awareness maintained should regional collaboration opportunities arise.	Transition / Preparation

Reform Item	What is it?	How is it required?	When is it required?	DLG Status	CoA Status	Accountable Manager	Notes	Assurance Status
Stronger Penalties (Act Level)	Updates offence penalty levels across the Act to strengthen compliance and deterrence.	Act Amendment	6-Dec-24	Implementation	In progress	EMT	Penalty framework strengthened through Amendment Act. Operational impact linked to Inspector regulatory regime now in force. Financial Penalties: The financial penalties for offences have been broadly doubled to reflect the effects of inflation since the Act was passed in 1995.	Operational - Monitoring
PLANNING / DEVELOPMENT								
Developer Assessment Panel (DAP) Functions	Transfers responsibility for preparing Responsible Authority Reports to authorised officers rather than Council.	Existing Framework	1-Mar-24	Implementation	Complete	Manager Development Services	Delegations Register amended and authorised officer appointed in accordance with reform requirements.	Embedded Compliance
COUNCIL MEMBER ENTITLEMENTS								
Elected Member Superannuation	Introduces mandatory superannuation contributions for elected members in Class 1 and 2 local governments.	Regulation	19-Oct-25	Implementation	Complete	Manager Finance	Mandatory superannuation implemented ahead of legislative requirement. City positioned as early adopter. Compliance assured.	Embedded Compliance
UNIFORM LOCAL PROVISIONS (PENDING REGULATIONS)								
Incidental Outdoor Trading (Alfresco Reforms)	Draft Regulations Proposed: Deregulates incidental outdoor trading activities subject to standard statewide operating conditions. These regulations would provide that a business owner can conduct incidental outdoor trading activities outside their place of business, provided they meet certain conditions.	Future Regulation (Draft)	Expected 2025-26 (TBC)	Drafting	Not Yet Available	Manager Development Services	Regulations not yet finalised. Reform monitored pending publication of Uniform Local Provisions Regulations.	Regulatory Pending
Crossover Reforms	Draft Regulations Proposed: Establishing standardised crossover construction requirements and deemed approval pathways.	Future Regulation (Draft)	Expected 2025-26 (TBC)	Development	Not Yet Available	Manager Engineering	Standardisation reforms under development by State Government. Engineering standards review deferred pending final regulations.	Regulatory Pending
CEO GOVERNANCE REFORMS (HIGH PRIORITY)								
CEO Recruitment	Draft regulations (pending as at 26 February 2026) will amend CEO Employment Standards to: _Require the independent selection panel member to be appointed from a DLGSC-maintained panel. _Mandate application of the 10-year re-advertising rule in all circumstances, with Council certification of compliance on contract renewal. _Prescribe minimum CEO performance criteria standards. _Clarify application of the Standards during the CEO probationary period.	Future Regulation (Draft)	Expected 2026 (TBC)	Drafting	In progress	Manager Governance & Risk	Draft regulations pending. The City has proactively established governance processes, including panel arrangements and contract certification requirements. Noting: (1) Council must approve CEO appointments and employment contracts by absolute majority in accordance with Local Government Act 1995 s.5.39B and the CEO Model Standards. (2) Certification of compliance must be provided to the Director General within 14 days under Local Government (Administration) Regulations r.18FB. (3) Inspector scrutiny expected following regulatory commencement.	Emerging Reform Risk

Reform Item	What is it?	How is it required?	When is it required?	DLG Status	CoA Status	Accountable Manager	Notes	Assurance Status
CEO KPIs (Framework)	Establishes minimum structure and evidentiary requirements for CEO performance criteria. Draft regulations (expected 2026) will require each CEO KPI to clearly define: _the relevant aspect of the CEO role _the performance indicator _the target outcome _the evidence used to verify achievement	Future Regulation (Draft)	Expected 2026 (TBC)	Drafting	In progress	Manager People & Culture	City of Albany Position: Advanced — performance framework already aligned in anticipation of regulatory requirements. Comment: City preparatory work substantially complete; minor refinement expected once regulations are finalised.	Emerging Reform Risk
CEO KPIs (Publication Requirements)	Requires public disclosure of CEO performance review outcomes following Council assessment. The CEO performance review report is to set out: _The target to be achieved _If the target was achieved, not achieved, or no determination of achievement could be made _If the target was not achieved, if this was beyond the CEO's control and why _If no determination could be made, why The performance review report must be published on the local government's website alongside the minutes of the meeting at which it was conducted, including any response from the CEO	Future Regulation (Draft)	Expected 2026 (TBC)	Drafting	Not Yet Available	Manager Governance & Risk	Future transparency requirement expected. Governance processes flagged for update once regulations finalised.	Emerging Reform Risk
PUBLIC REGISTERS REFORM PACKAGE								
Lease Register	Draft regulations will require a register of all active leases and licences in relation to land containing: _The type of agreement _The parties to the agreement _If the local government is the lessee or lessor _The property address _The permitted uses _The date the lease was entered into _Details around when the lease might end _The amount of rent payable	Future Regulation (Draft)	Expected 2026 (TBC)	Draft Regulations	Not Yet Available	Team Leader Property, Leasing and Customer Service	Preparatory work underway pending final regulation scope. Early compliance approach adopted.	Transition / Preparation
Grants Register	Draft regulations will require a register of grants and sponsorship given in the last 5 years that are worth more than \$500 containing: _The date the agreement was entered into _A summary of the purpose of the grant or sponsorship _The name of the recipient _The total value (including in-kind) _The final reporting date for the agreement _If that date is passed if all relevant reports or acquittals have been received	Future Regulation (Draft)	Expected 2026 (TBC)	Draft Regulations	In progress	Manager Community Relations	Executive Director Comment: Five-year register compiled in anticipation of reform. Awaiting final DLGSC guidance before publication.	Transition / Preparation

Reform Item	What is it?	How is it required?	When is it required?	DLG Status	CoA Status	Accountable Manager	Notes	Assurance Status
Developer Contributions Register	Draft regulations will require a register of developer contributions or cash in lieu contributions held by the local government which contains: _The name of the party that gave the money _The address of the development _The purpose for which it was given _The amount of the money _The date the money was given _The date the money must be spent, if any _The interest earned on that money _Each item of infrastructure or facility the money was expended on	Future Regulation (Draft)	Expected 2026 (TBC)	Draft Regulations	Not Yet Available	Manager Development Services	Existing reserve accounting aligns substantially with anticipated reform intent. Final configuration pending regulations.	Transition / Preparation
Goods & Services Contracts Register	Draft regulations will require a register of current contracts for goods and services worth more than \$50,000 which must contain: _The name of the supplier _If the contract arose from a tender process, and if not the summary of the method by which the supplier was chosen _The date the contract was entered into _A summary of the goods or services to be provided _If the contract has a fixed period, the date that period ends including extensions _If the contract was varied, on what occasions and for what purpose _The funds spend under the contract and the expected remaining payments Link: https://www.dlgsc.wa.gov.au/local-government/local-government-reform	Future Regulation (Draft)	Expected 2026 (TBC)	Draft Regulations	Not Yet Available	Manager Finance	Transparency reform monitored. Procurement systems expected to support compliance once regulations commence.	Transition / Preparation
GOVERNANCE OPERATING REFORMS								
Communications Agreement	The Communications Agreement reform requires local governments to establish a formal agreement outlining the standards and protocols for internal and external communications. This includes: _Ensuring clear, consistent, and transparent communication practices. _Defining the roles and responsibilities of council members and staff in communication processes. _Establishing guidelines for public engagement and information dissemination.	Future Regulation (Draft)	Expected 2026 (TBC)	Drafting	Not Yet Available	Manager Governance & Risk	High-governance reform regulating communication roles between Council and administration. Awaiting State template or final regulation release.	Emerging Reform Risk
Standardised Meeting Procedures	Public consultation on the proposed content of the standardised meeting procedures was conducted from 28 February 2024 to 7 June 2024. A total of 139 survey responses were provided. Drafting of the standardised meeting procedures will progress as a priority in 2025	Future Regulation (Draft)	Expected 2026 (TBC)	Drafting	Not Yet Available	Manager Governance & Risk	Reform progressing through State drafting process. Local procedures to be reviewed following publication.	Regulatory Pending
Committee Chair	Committee chairs are to be appointed by an Absolute Majority of Council.	Act Amendment	1-Jul-25	Implementation	Complete	Manager Governance & Risk	Requirement implemented. Committee establishment procedures updated accordingly.	Embedded Compliance

Reform Item	What is it?	How is it required?	When is it required?	DLG Status	CoA Status	Accountable Manager	Notes	Assurance Status
LOCAL GOVERNMENT INSPECTOR REFORMS								
Inspector Regulations	To implement the reforms associated with the creation of the Office of Local Government Inspector, regulation amendments will be made This will include provisions to issue infringement notices to council members or employees for some offences under the Local Government Act 1995 and regulations The inspector will assess 'Conduct' and 'Specified' breaches, previously 'Minor' and 'Serious' breaches.	Regulation	1-Jan-26	Implementation	Complete	Manager Governance & Risk	Office of Local Government Inspector operational from January 2026. Represents significant shift to active external oversight environment.	Operational - Monitoring
Closed Meetings Reforms	By default, under the reforms, council and committee meetings must be open to the public. In certain circumstances, part of a meeting may be closed to deal with specific information where there is a clear public interest for that information to remain confidential. The proposed reforms aim to provide a much stronger definition of the limited reasons to close a meeting.	Regulation	1-Jan-26	Implementation	Complete	Manager Governance & Risk	Increased scrutiny expected under Inspector powers. Governance practices aligned to presumption of open meetings.	Operational - Monitoring
Mandatory Training Compliance	The proposed inspector regulations under the Local Government Act 1995 include specific details on mandatory training compliance for council members. Here are the key points: _Mandatory Training: All newly elected council members must complete mandatory training within 12 months of their election. This training covers essential topics such as governance, ethics, financial management, and the roles and responsibilities of council members. _Ongoing Professional Development: Council members are required to participate in ongoing professional development programs. These programs are designed to keep council members updated on best practices, legislative changes, and emerging issues in local government. _Compliance Monitoring: Local governments are responsible for ensuring that their council members complete the required training. They must maintain records of training completion and report on compliance as part of their annual reporting. _Enforcement by Inspectors: The Local Government Inspector will have the authority to monitor and enforce compliance with mandatory training requirements. This includes reviewing training records and taking action if council members fail to meet their training obligations.	Regulation	1-Jan-26	Operational	In progress	Manager Governance & Risk	Enforceable training requirements commenced January 2026. CEO responsible for maintaining auditable compliance records.	Emerging Reform Risk

Reform Item	What is it?	How is it required?	When is it required?	DLG Status	CoA Status	Accountabl e Manager	Notes	Assurance Status
Prohibiting Legal Expenses	The proposed reforms to the Local Government Act 1995 include new regulations regarding the prohibition of legal expenses for council members. Here are the key details: _ Prohibition on Legal Expenses: Council members will be prohibited from using public funds to cover personal legal expenses. This includes legal costs incurred in defending actions brought against them in their personal capacity. _Exceptions: There are specific exceptions where legal expenses may be covered, such as when the legal action is directly related to the performance of their official duties and is in the public interest. _Approval Process: Any request for covering legal expenses must go through a stringent approval process, ensuring transparency and accountability. This process involves assessment by an independent panel or the Local Government Inspector.	Future Regulation (Draft)	Expected 2025-26 (TBC)	Development	Not Yet Available	Manager Governance & Risk	Regulations anticipated. Governance monitoring continues pending finalisation.	Regulatory Pending
CONSEQUENTIAL & ARIC REFORMS								
Consequential Regulations	Status: Operational Stage 1.	Regulation	17-Dec-25	Operational	In progress	Manager Governance & Risk	Package partially implemented December 2025. Further amendments expected. Reform tracked as rolling legislative program. Rolling reform package expected to continue beyond 2026.	Transition / Preparation
Audit, Risk and Improvement Committee	Status: Operational Stage 1. Following the assent of the Local Government Amendment Act 2024, it is intended to draft regulations that will: _Implement Audit, Risk and Improvement Committees _Follow through with the clarification of roles and responsibilities in the regulations _Strengthen penalties in regulations _Make other minor amendments	Regulation	Oct-25	Implementation	Complete	Manager Governance & Risk	ARIC reforms commenced January 2026 with transition period to June 2026. Committee now central assurance mechanism under amended Act.	Transition / Preparation
Roles and Responsibilities (Further Clarification)		Act Amendment	Commenced December 2024	Implementation	Not Yet Available	Manager Governance & Risk	Legislative amendments in force. Additional regulatory clarification may follow.	Operational - Monitoring

Reform Item	What is it?	How is it required?	When is it required?	DLG Status	CoA Status	Accountable Manager	Notes	Assurance Status
Strengthen Penalties in Regulations	<p>The proposed reforms to the Local Government Act 1995 include strengthening penalties to ensure greater accountability and compliance. Here are the key details:</p> <ul style="list-style-type: none"> _Increased Fines: The reforms propose higher fines for breaches of the Act, including non-compliance with mandatory training, failure to disclose conflicts of interest, and misuse of public funds _Disqualification and Suspension: Council members found guilty of serious breaches may face disqualification or suspension from office. This aims to maintain the integrity of local government operations _Enforcement by Inspectors: The Local Government Inspector will have enhanced powers to investigate breaches and enforce penalties. This includes the authority to issue fines, recommend suspensions, and take legal action if necessary _Public Reporting: There will be increased transparency in reporting breaches and penalties. Local governments will be required to publicly report any penalties imposed on council members, ensuring accountability to the community 	Regulation	Commenced January 2026	Implementation	Not Yet Available	EMT	<p>Enforcement capability materially increased through Inspector framework. Remaining reforms expected via future regulations.</p> <p>Published update: Strengthen Penalties in Regulations (for conduct and complaints) Penalty strengthening has been implemented via Inspector and Complaints Regulations, including: New categories of conduct and specified breaches.</p> <p>Infringement notices, SAT publication requirements, and escalation mechanisms.</p> <p>These commenced 1 January 2026 and materially increase enforcement capability.</p> <p>Implication: Penalty reforms are operational, though broader financial/administrative penalties may still follow later regulations.</p>	Operational - Monitoring
FINANCIAL REFORM STREAM								
Financial Regulations	<p>These regulations outline the financial management responsibilities of local governments, including the security and banking of money received, maintenance of financial records, and management of assets, liabilities, and revenue. AustLII</p>	Future Regulation (Draft)	Unknown	Development	In progress	Manager Finance	<p>MGR: Future reform flagged by State Government. Existing Financial Management Regulations remain operative.</p> <p>Financial Regulations (General) Published update: No (reform phase) Existing Local Government (Financial Management) Regulations 1996 remain in force. DLGSC reform materials confirm future changes are intended, but no new financial regulations have been made or exposed yet.</p>	Regulatory Pending
Borrowing	<p>Local governments are empowered to borrow funds to perform their functions and exercise their powers. The Act specifies the conditions under which borrowing can occur, ensuring that such financial activities are conducted responsibly.</p>	Future Regulation (Draft)	Unknown	Development	In progress	Manager Finance	<p>MGR: Reform proposals under development only. No legislative change commenced.</p> <p>Financial Regulations (General) Published update: No Borrowing reforms (including expanded powers and links to regional subsidiaries) are explicitly listed as “regulations being developed”. No draft or final regulations published as at February 2026.</p>	Regulatory Pending

Reform Item	What is it?	How is it required?	When is it required?	DLG Status	CoA Status	Accountable Manager	Notes	Assurance Status
Building Upgrade Finance	This reform enables local governments to provide loans to property owners for financing building improvements, facilitating upgrades that might otherwise be financially challenging for property owners	Future Regulation (Draft)	Unknown	Development	Not Yet Available	Manager Finance	MGR: Enabling reform anticipated but no regulations released. Monitoring only. Building Upgrade Finance Published update: No Identified by DLGSC as a future financial management reform. No regulations, exposure drafts, or commencement dates published.	Regulatory Pending
Regional Subsidiaries (Regulations)	Local governments can form regional subsidiaries to collaborate on shared services and projects, enhancing efficiency and resource sharing among neighboring councils.	Future Regulation (Draft)	Unknown	Development	Not Yet Available	Manager Governance & Risk	Existing regulations remain in force. Reform expansion under consideration by State Government.	Regulatory Pending
Rates and Revenue Policy	This policy governs how local governments set rates and manage revenue, ensuring that taxation and revenue collection processes are fair, transparent, and aligned with community expectations.	Act Amendment	From Assent – Policy adoption required prior to next rating cycle	Implementation	In progress	Manager Finance	MGR: Legislative requirement introduced. Policy development underway to ensure compliance once guidance issued. Rates and Revenue Policy Published update: Act-level only The requirement for councils to adopt a Rates and Revenue Policy is now legislated. No prescribed regulations or model policy have yet been issued. Policy development will progress as a priority.	Transition / Preparation
Integrated Planning and Reporting	Local governments are required to engage in integrated planning and reporting to align their strategic plans, operational plans, and budgets. This ensures that resources are allocated effectively to meet community needs and priorities.	Existing Framework	Unknown	Development	In progress	Manager Finance	MGR: Current framework continues. Internal working group established to prepare for future reform direction. Integrated Planning and Reporting (IPR) Published update: No new reform regulations Existing IPR framework and guidelines continue to apply. Reform material confirms future changes are intended, but no regulations, standards, or exposure drafts have been released. An internal working group has been established to begin developing future form of IPR.	Transition / Preparation
Reform Assurance Reporting	Establishes ongoing organisational assurance reporting confirming compliance with the Local Government reform program.	Administrative Governance Practice	Ongoing	Operational	In progress	Manager Governance & Risk	Reform register now functions as ongoing legislative assurance tool reported to ARIC confirming organisational compliance maturity across the Local Government reform program.	Operational - Monitoring

Reform Item	What is it?	How is it required?	When is it required?	DLG Status	CoA Status	Accountable Manager	Notes	Assurance Status
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ASSURANCE STATUS MODEL

Status: Meaning: ARIC Interpretation

- **Embedded Compliance:** Fully implemented and operating business-as-usual. No active reform risk.
- **Operational – Monitoring:** Implemented but requires periodic assurance review. Normal governance oversight.
- **Transition / Preparation:** Reform known but regulations or internal changes pending. Management action underway.
- **Regulatory Pending:** Awaiting State regulations or guidance. External dependency.
- **Emerging Reform Risk:** Reform likely to materially change governance. Active executive oversight.

This register functions as the City’s legislative reform assurance framework and is reported periodically to the Audit, Risk and Improvement Committee.