

Audit and Risk Committee Meeting

30 September 2024

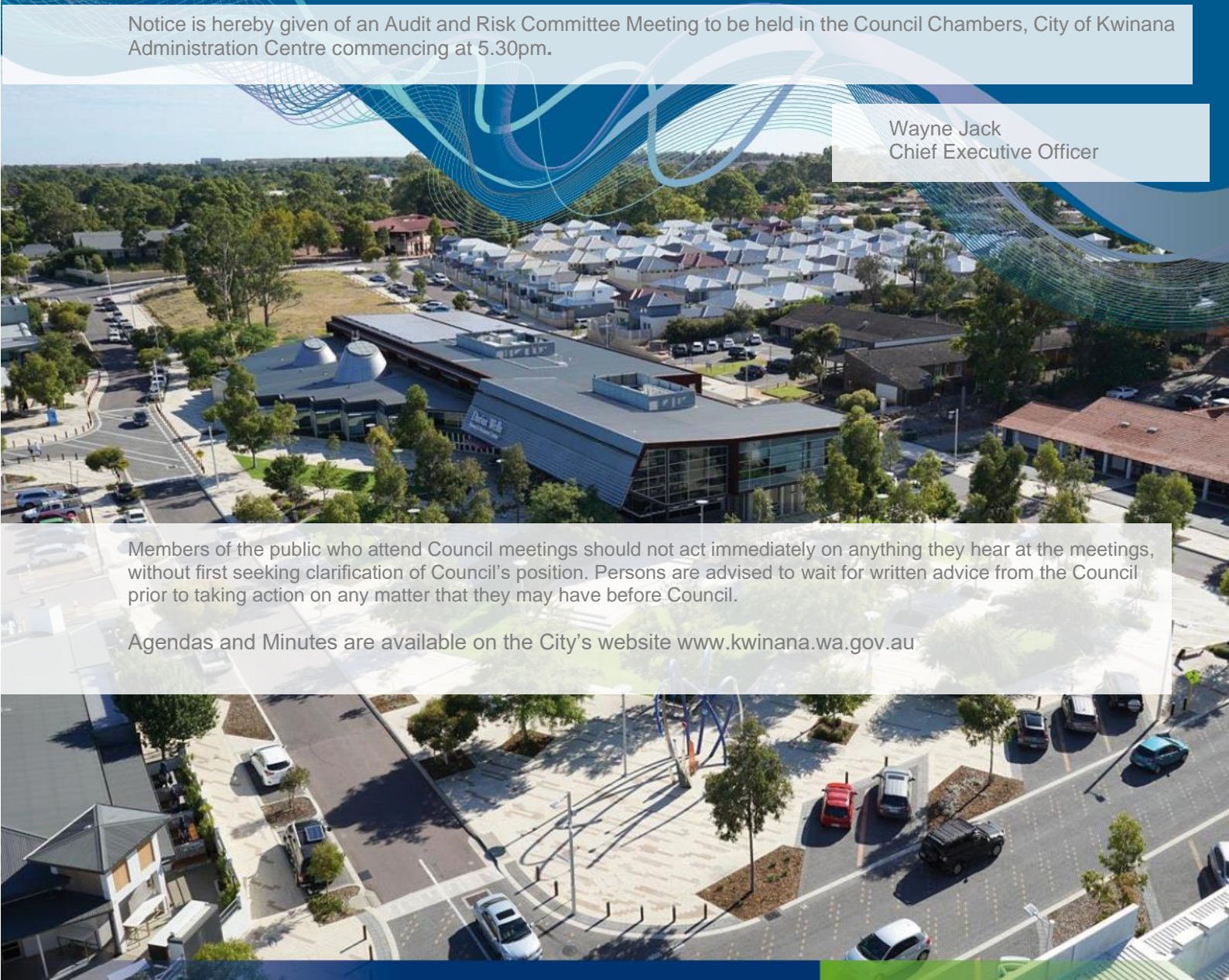
Agenda

Notice is hereby given of an Audit and Risk Committee Meeting to be held in the Council Chambers, City of Kwinana Administration Centre commencing at 5.30pm.

Wayne Jack
Chief Executive Officer

Members of the public who attend Council meetings should not act immediately on anything they hear at the meetings, without first seeking clarification of Council's position. Persons are advised to wait for written advice from the Council prior to taking action on any matter that they may have before Council.

Agendas and Minutes are available on the City's website www.kwinana.wa.gov.au



Order Of Business

1	Opening and Announcement of Visitors	3
2	Welcome to Country and Acknowledgement of Country	3
3	Attendance, Apologies, Leave(s) of Absence (Previously Approved)	3
4	Public Question Time	4
5	Receiving of Petitions, Presentations and Deputations	4
5.1	Petitions	4
5.2	Presentations	4
5.3	Deputations.....	5
6	Declarations of Interest (Financial, Proximity, Impartiality – both real And Perceived) by Members and City Officers	5
7	Confirmation of Minutes	6
7.1	Minutes of the Audit and Risk Committee Meeting held on 10 June 2024	6
8	Reports	7
8.1	Audit Reports	7
8.2	Audit Action Log - Progress Report	51
8.3	Work Health and Safety (WHS) Statistical Report - 30 September 2024	82
8.4	Risk Management Report.....	114
8.5	Council Policy Review - Investment Policy	138
9	Late and Urgent Business	148
10	Answers to Questions which were taken on Notice	148
11	Close of Meeting	148

1 OPENING AND ANNOUNCEMENT OF VISITORS

PRESIDING MEMBER TO DECLARE THE MEETING OPEN AND WELCOME ALL IN ATTENDANCE.

PRESIDING MEMBER TO ANNOUNCE THAT THE AUDIT AND RISK COMMITTEE MEETING IS BEING LIVE STREAMED AND RECORDED IN ACCORDANCE WITH THE CITY'S LIVE STREAMING AND RECORDING COUNCIL MEETINGS POLICY.

BY BEING PRESENT AT THIS MEETING, MEMBERS OF THE PUBLIC CONSENT TO THE CITY RECORDING AND LIVESTREAMING THEIR IMAGE AND/OR VOICE.

2 WELCOME TO COUNTRY AND ACKNOWLEDGEMENT OF COUNTRY

Deputy Mayor Barry Winmar to present the Welcome to Country:

"Ngullak nyinniny kooralong koora ngullak noitj nidja noongar boodjar. Noongar moort djoorapiny nyinniny nidja ngulla quopadok noongar boodjar kooralong.

From the beginning of time to the end, this is Noongar Country. Noongar people have been graceful keepers of our nation for many, many years.

Djinanginy katatjin djoorapiny nidja weern noongar boodjar ngalla mia mia boorda.

Look, listen, understand and embrace all the elements of Noongar Country that is forever our home.

Kaya wandju ngaany koort djoorpiny nidja Noongar boodjar daadjaling waankganinyj Noongar Boodjar.

Hello and welcome my heart is happy as we are gathered on country and meeting here on Noongar Country

'Presiding Member to read the Acknowledgement of country:

"It gives me great pleasure to welcome you all here and before commencing the proceedings, I would like to acknowledge that we come together tonight on the traditional land of the Noongar people and we pay our respects to their Elders past and present."

3 ATTENDANCE, APOLOGIES, LEAVE(S) OF ABSENCE (PREVIOUSLY APPROVED)

Apologies:

Leave(s) of Absence (previously approved):

4 PUBLIC QUESTION TIME

In accordance with the *Local Government Act 1995* and the *Local Government (Administration) Regulations 1996*, any person may during Public Question Time ask any question.

In accordance with Regulation 6 of the *Local Government (Administration) Regulations 1996*, the minimum time allowed for Public Question Time is 15 minutes.

A member of the public who raises a question during Question Time is to state his or her name and address.

Members of the public must provide their questions in writing prior to the commencement of the meeting. A public question time form must contain all questions to be asked and include contact details and the form must be completed in a legible form.

Please note that in accordance with Section 3.4(5) of the *City of Kwinana Standing Orders Local Law 2019* a maximum of two questions are permitted initially. An additional question will be allowed by the Presiding Member if time permits following the conclusion of all questions by members of the public.

5 RECEIVING OF PETITIONS, PRESENTATIONS AND DEPUTATIONS

5.1 PETITIONS

A petition must –

- be addressed to the Mayor;
- be made by electors of the district;
- state the request on each page of the petition;
- contain at least five names, addresses and signatures of electors making the request;
- contain a summary of the reasons for the request;
- state the name of the person to whom, and an address at which, notice to the petitioners can be given; and
- be respectful and temperate in its language and not contain language disrespectful to Council.

The only motion which shall be considered by the Council on the presentation of any petition are –

- that the petition be received;
- that the petition be rejected; or
- that the petition be received and a report prepared for Council.

5.2 PRESENTATIONS

In accordance with Clause 3.6 of the *Standing Orders Local Law 2019* a presentation is the acceptance of a gift, grant or an award by the Council on behalf of the local government or the community.

Prior approval must be sought by the Presiding Member prior to a presentation being made at a Council meeting.

Any person or group wishing to make a presentation to the Council shall advise the CEO in writing before 12 noon on the day of the meeting. Where the CEO receives a request in terms of the preceding clause the CEO shall refer it to the presiding member of the Council committee who shall determine whether the presentation should be received.

A presentation to Council is not to exceed a period of fifteen minutes, without the agreement of Council.

5.3 DEPUTATIONS

In accordance with Clause 3.7 of the *Standing Orders Local Law 2019*, any person or group of the public may, during the Deputations segment of the Agenda with the consent of the person presiding, speak on any matter before the Council or Committee provided that:

- the person has requested the right to do so in writing addressed to the Chief Executive Officer by noon on the day of the meeting.
- setting out the agenda item to which the deputation relates;
- whether the deputation is supporting or opposing the officer's or committee's recommendation; and
- include sufficient detail to enable a general understanding of the purpose of the deputation.

A deputation to Council is not to exceed a period of fifteen minutes, without the agreement of Council.

6 DECLARATIONS OF INTEREST (FINANCIAL, PROXIMITY, IMPARTIALITY – BOTH REAL AND PERCEIVED) BY MEMBERS AND CITY OFFICERS

Section 5.65(1) of the *Local Government Act 1995* states:

A member who has an interest in any matter to be discussed at a council or committee meeting that will be attended by the member must disclose the nature of the interest —

- in a written notice given to the CEO before the meeting; or
- at the meeting immediately before the matter is discussed.

Section 5.66 of the *Local Government Act 1995* states:

If a member has disclosed an interest in a written notice given to the CEO before a meeting then —

- before the meeting the CEO is to cause the notice to be given to the person who is to preside at the meeting; and
- at the meeting the person presiding is to bring the notice and its contents to the attention of the persons present immediately before the matters to which the disclosure relates are discussed.

7 CONFIRMATION OF MINUTES

7.1 MINUTES OF THE AUDIT AND RISK COMMITTEE MEETING HELD ON 10 JUNE 2024

RECOMMENDATION

That the Minutes of the Audit and Risk Committee Meeting held on 10 June 2024 be confirmed as a true and correct record of the meeting.

8 REPORTS

8.1 AUDIT REPORTS

SUMMARY

Pursuant to regulation 16 of the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee (the Committee) assists the Council in fulfilling its responsibilities regarding the oversight of internal and external audits at the City, ensuring due care, diligence, and skill are applied.

The findings of the following recently completed audits are presented for the Committee's review:

- Australia Auditors - Recquatic Centre Safety Review (Attachment A);
- Australia Auditors - Essential Services Parking Infringements and Pet Registration (Attachment B); and
- RSM on behalf of the Office of the Auditor General - Interim IT General Controls Audit (Attachment C).

The findings of the audit by Australian Auditors into Human Resources Incident Reporting Processes and Procedures are presented in a separate report.

All audit findings have been incorporated into the City's Audit Action Log and will be presented to the Committee on a quarterly basis until such time the Committee notes their completion.

OFFICER RECOMMENDATION

That the Audit and Risk Committee note and provide comment where appropriate, the findings of the following audit reports:

- **Australian Auditors - Recquatic Centre Safety Review (Attachment A);**
- **Australian Auditors - Essential Services: Parking Infringements & Pet Registration (Attachment B); and**
- **RSM on behalf of the Office of the Auditor General - Interim IT General Controls Audit (Attachment C).**

VOTING REQUIREMENT

Simple majority.

DISCUSSION

Due to an increased focus on the accountability of local governments, a review of the effectiveness of all business processes is becoming best practice. Internal auditing is one way to reduce risk and identify improvements in internal controls. There are many benefits to conducting internal audits, such as:

- improving the performance of the organisation;
- making the organisation process-dependent instead of person-dependent;
- identifying redundancies in operational and control procedures and the provision of recommendations to improve the efficiency and effectiveness of procedures;
- it serves as an early warning system, enabling deficiencies to be identified and remediated on a timely basis (i.e., prior to external, regulatory or compliance audits); and
- increasing accountability within the organisation and supporting strategic objectives (for example, cost reduction initiatives).

At its meeting of 13 October 2021, Council resolved to adopt the Strategic Internal Audit Plan 2021 /2022 to 2023/2024, a summary of which is as follows:

Area of Review	2021/22 (hours)	2022/23 (hours)	2023/24 (hours)	Status
Planning & Building	80			Completed
Asset Management	80			Completed
Community Services – Events (Community Engagement, Resource Centre, Family Day Care, Events)	80			Completed
Recquatic			40	Completed
Environmental & Health Services/Waste		80		Not started
Finance - Financial Management Regulation 5*		80		Completed
Project/Program Management (Building, Operations & Engineering)		80		Not started
Work Health and Safety/Human Resources			40	Completed
City Legal & Governance - Audit Regulation 17 (Legislative compliance, risk and internal control)*		80		Completed
Business Continuity/Disaster Recovery/Pandemic/Emergency Planning			80	Not started
Essential Services (Security, Rangers & Parking)			40	Completed
City Strategy*				Not started
Customer service*				Not started
Information Technology*				Not started
Contracts & Procurement	80			Completed

*Areas having relatively low risk ratings and not presently scheduled for review.

Recommended areas of improvement identified through internal and external auditing of the City are recorded and tracked within the City’s audit log until such actions are finalised. A copy of the City’s audit log, including updated comments from responsible officers, is presented as a standard item at each meeting of the Committee.

STRATEGIC IMPLICATIONS

This proposal will support the achievement of the following outcome/s and objective/s detailed in the Strategic Community Plan and Corporate Business Plan.

Strategic Community Plan			
Outcome	Strategic Objective	Action in CBP (if applicable)	How does this proposal achieve the outcomes and strategic objectives?
5 – Visionary leadership dedicated to acting for its community	5.1 – Model accountable and ethical governance, strengthening trust with the community	N/A – There is no specific action in the CBP, yet this report will help achieve the indicated outcomes and strategic objectives	Although there are no direct links between the Strategic Community Plan (SCP) actions and internal auditing, the practice of internal auditing supports the SCP by reviewing processes, establishing actions,

			and addressing findings. This approach helps to strengthen the City’s ethical governance and fosters a culture of continuous improvement.
	5.4 – Establish a culture of continuous improvement achieving high levels of business excellence	5.4.4 – N/A – There is no specific action in the CBP, yet this report will help achieve the indicated outcomes and strategic objectives	Although there are no direct links between the Strategic Community Plan (SCP) actions and internal auditing, the practice of internal auditing supports the SCP by reviewing processes, establishing actions, and addressing findings. This approach helps to strengthen the City’s ethical governance and fosters a culture of continuous improvement.

SOCIAL IMPLICATIONS

There are no social implications as a result of this proposal.

LEGAL/POLICY IMPLICATIONS

Regulation 16 of the *Local Government (Audit) Regulations 1996* provides:

16. Functions of audit committee

An audit committee has the following functions —

- (a) *to guide and assist the local government in carrying out —*
 - (i) *its functions under Part 6 of the Act; and*
 - (ii) *its functions relating to other audits and other matters related to financial management;*
- (b) *to guide and assist the local government in carrying out the local government’s functions in relation to audits conducted under Part 7 of the Act;*
- (c) *to review a report given to it by the CEO under regulation 17(3) (the **CEO’s report**) and is to —*
 - (i) *report to the council the results of that review; and*
 - (ii) *give a copy of the CEO’s report to the council;*
- (d) *to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —*
 - (i) *regulation 17(1); and*
 - (ii) *the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*
- (e) *to support the auditor of the local government to conduct an audit and carry out the auditor’s other duties under the Act in respect of the local government;*
- (f) *to oversee the implementation of any action that the local government —*
 - (i) *is required to take by section 7.12A(3); and*

- (ii) *has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and*
- (iii) *has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and*
- (iv) *(iv) has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);*
- (g) *to perform any other function conferred on the audit committee by these regulations or another written law.*

FINANCIAL/BUDGET IMPLICATIONS

There are no financial implications that have been identified as a result of this report or recommendation.

ASSET MANAGEMENT IMPLICATIONS

No asset management implications have been identified as a result of this report or recommendation.

ENVIRONMENTAL/PUBLIC HEALTH IMPLICATIONS

No environmental or public health implications have been identified as a result of this report or recommendation.

COMMUNITY ENGAGEMENT

There are no community engagement implications as a result of this report or recommendation.

ATTACHMENTS

- A. **Australian Auditors - City of Kwinana - Recquatic Centre Safety Review - Final Report - 10 July 2024** [↓](#)
- B. **Australian Auditors - City of Kwinana - Essential Services: Parking Infringements & Pet Registrations - Final Report - 17 July 2024** [↓](#)
- C. **RSM - City of Kwinana - Interim IT General Controls Audit - July 2024** [↓](#)



City of Kwinana

Recquatic Centre Safety Review

10 July 2024

Internal Audit – Final Report

(Audit in Confidence)

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Table of Contents

Executive Management Summary.....	3
1. Objective & Scope	7
2. Methodology	8
3. Statement of Responsibility.....	9
4. Detailed Findings and Recommendations	10
Appendix A – Risk Criteria.....	18

Executive Management Summary

The City of Kwinana (“the City”) has requested Australian Audit to undertake a review of the Kwinana Recquatic Centre in order to assess the Centre’s effectiveness of safety measures, compliance and risk management practices that currently exists at the Centre.

Our review was limited only to the Kwinana Recquatic Centre functions outside of the aquatic area.

The Kwinana Recquatic Centre, outside of the aquatic area, includes four main functions:

- Customer Experience (Customer Service Support)
- Fitness Programs (Gym and Group Fitness)
- Sports Activities and Programs
- Creche

In relation to our review objectives, we can conclude that the Kwinana Recquatic Centre is well managed from a safety point of view and has in place satisfactory management practices to manage possible safety risks of patrons who visit the Kwinana Recquatics area.

No high-risk safety issues were noted as part of our review.

We wish to conclude as follows:

- Regarding safety assessments, we noted that adequate safety policies and practices exist and are being actioned by the Kwinana Recquatic Centre staff. Although satisfactory safety policies and practices are in place, we identified several areas where the Centre’s safety practices can be further improved that will strengthen the existing safety practices that are currently in place at the Kwinana Recquatic centre. **These have been identified in more detail in Section 4 of this report.**
- The Kwinana Recquatic Centre has a Risk Register in place and safety relevant risks have been identified and the controls / risk treatments to mitigate these risks are recorded. However, we consider that all of the risk treatments that are currently in place at the Centre have not been completely documented and recorded in the Risk Register. Further, the risks associated with the running of the Creche, which we consider to be of higher risk, have not been included in the Kwinana Recquatic Risk Register. **This matter has also been reported in Section 4 of this report.**
- Our work with compliance with relevant regulations was limited to include only those that we considered to be of high risk such as working with children certificates and staff first aid certificates which are needed in a Kwinana Recquatic environment. These were found to be properly in place.
- Proper policies and procedures are in place for reporting and investigation of incidents including regular checks that are undertaken by the Kwinana Recquatics management and staff. However, some were found to be out of date and require review. **This matter has also been reported in Section 4 of this report.**
- We found that each Team Leader has developed Induction Checklists for their own team except for the Gym & Group Fitness and Sports & Programs teams. These still

need to be developed. Role Specific Manuals have been developed except for Team Leader & Sport Supervisor roles. We understand that these are in the process of being developed and should be given priority.

As part of our review, we also identified the following positive processes that are currently in place at the Kwinana Recquatic Centre:

Safety Measures

The following safety measures covers all areas in the Kwinana Recquatic Centre:

- The City's Human Resources safety induction is provided to all new staff and Recquatic site specific induction is also provided. This is completed every 2 years.
- Recquatic - Workplace Emergency Management Plan exists. A Chief Warden Checklist and a Warden Checklist is also in place for use during emergencies.
- Training is provided to all staff on Emergency Management processes.
- Recquatic OSH Safety Highlight Email exists and is issued fortnightly by the Centre Manager. A separate topic focused on Recquatic safety is covered each fortnight.
- Workplace Inspections are completed at least monthly by the City's appointed Safety Representatives on site. A copy of the safety inspection is emailed to Team Leaders to action hazards. Any hazard identified is recorded on the Correction action register. City Operations are advised of any repairs required via Work Request. These are also discussed during monthly staff meetings.
- The Health, Safety & Injury Management Advisor also does a walkthrough of the Centre at certain times and provides feedback on any health & safety matters.
- There are a lot of positions that require first aid as a qualification, and this includes the Lifeguards, CSOs, Gym instructors, Swim instructors, Duty officers & Creche staff) and therefore there is a guarantee that sufficient qualified staff with first aid training are at hand at the Recquatic's Centre during operational hours.
- Opening and closing checklists exists and are used by the Duty Officer to ensure all areas of the Centre are being checked.
- The City's Human Resources will send through a list of mandatory qualifications (such as working with children card, first aid etc.) that are near expiry date which is then actioned by the various Team Leaders to advise staff of the requirement to update or provide the necessary qualifications.

Customer Experience

- Entry to the Centre is controlled by the access control gates which are operated through membership tags or by the customer experience officers. This ensures that only authorised persons access the Centre.
- There are 2 CCTV cameras covering this area.
- There are 2 duress alarms installed for staff to use in this area.

Fitness programs (Gym & Group Fitness)

- Certificate 4 qualification is required to be obtained by each Gym Instructor to ensure they understand proper fitness equipment use.
- All Gym Instructors engage in CPD through the year as part of the job (team meetings, peer learning).
- Prospective gym members will receive a Centre tour when first visiting the Centre to ensure they are aware of the surrounding conditions.

- Gym Members are required to sign off on terms and conditions or using the Gym equipment at point of sign up as members which also includes a personal responsibility and release from liability clause.
- Casual users to the gym must sign in. The sign in also includes a personal responsibility and release from liability clause.
- Gym instructors are rostered on for the duration of the time the Centre is open. They transition between the different rooms of the gym space to supervise the various Gym areas. On occasions where no Gym instructors have been rostered, a Duty Officer or the Fitness and Member Engagement Team Leader will undertake the Gym supervision.
- All gym spaces have CCTV which are displayed at reception for additional monitoring.
- Group Fitness classes have instructions with appropriate ratios of participants to instructor.
- Management of injury to users throughout the Centre is captured in the generic medical emergency action plan in the Emergency Management Plan.
- Gym equipment is serviced bi-annually through the leased equipment contract. Ad hoc servicing is also done through a supplier when required.
- Building maintenance for the Recquatic Centre is handled through the City Operations department (Property Services Officers) via log Work Requests submitted online which ensures building safety is maintained.
- First Aid Kit is available in the Gym office for Gym users.

Sports & Programs

- There is a 'No Tolerance Policy' sign in the stadium.
- The regular sports groups do the bookings through the Booking software which contains the terms & conditions of using the stadium. The terms and conditions also include the liability and indemnity clause.

Creche

- A Creche Handbook is in place covering all aspects of Creche operation.
- The Creche staff are required to have a valid and up to date Working with Children Certificate at all times.
- The Creche staff are required to have a police clearance prior to commencing work.
- Opening and Closing Checklists are completed. These checklists include safety aspects of the Creche. The checklist includes checking for cleaning & maintenance issues, locking of outdoor gate and accessibility of evacuation door during operating hours.
- Daily & weekly cleaning checklist is also used for the cleaning of the Creche.
- An Induction is provided to all parent / guardian / designated carer that may use the Creche.
- Incident, Injury, Trauma & Illness Record form is used to record all incidents within the Creche. The parents are advised immediately if there is an incident. The parents also sign off on the incident form as evidence that they were informed of the incident. The forms are then scanned and saved. If incident is considered to be a reportable incident under OHYS act then it is recorded in MyOSH.
- Parents must complete an enrolment form for each child using the Creche. Within the form, the parent is to disclose details of any allergies, anaphylaxis, medication, immunisation & disabilities.
- A yellow vest is put on children with medical conditions.
- Users of the Creche have to sign their child in and also out on the Attendance Sheet.
- Same parent signing in the child has to sign the child out.
- Parents must be in the premise all the time.
- Staff to child ratio set is set by the Centre.

- A First aid kit is available at the Creche. St John of God maintains the first aid kits for the Creche and also for the whole City.
- All Creche staff are required to have a current First aid certificate.

External Safety

- There are CCTVs covering the car park areas as well as front entrance.
- There is adequate lighting in the carpark.
- Staff are advised not to leave the building on their own at night or late after hours to the car park and should be accompanied by the Duty Officer.

Risk Register

- Recquatic has a Risk Register in place. Satisfactory safety relevant risks have been identified and the controls / risk treatments are recorded in the risk register.
- Risks for the Creche, although not included in the Risk Register, are included in the Community Facilities risk register.

Employee Induction

- All new Centre employees must go through the City's Human Resources Induction on work, health & safety.
- Kwinana Recquatic site specific inductions exist, and this is completed for each staff every 2 years.
- An All Staff Induction Manual volume 1 exists, was developed in 2024 and provides all relevant Kwinana Recquatic Centre information.
- Each Team Leader has developed an Induction Checklist for their own team except for Gym & Group Fitness and Sports & Programs teams.
- Role Specific Manuals have been developed except for Team Leader & Sport Supervisor roles.

1. Objective & Scope

The objective of this audit/review was to assess the effectiveness of safety measures, compliance and risk management practices that exists outside of the aquatics area, including Gym, Group Fitness, Customer Service Operations, Sports, Programs and Creche services.

The audit/review focussed on the following key matters:

- Safety Assessment:
 - Evaluate safety policies, procedures and practices in non-aquatic areas.
 - Identify any gaps in safety standards compared to aquatics area.
- Risk Management:
 - Review the existing risk management strategies for non-aquatic areas.
 - Determine if there are any overlooked risk due to less focus compared to the aquatics area.
- Compliance with Regulations:
 - Verify compliance with relevant safety regulations and standards applicable to non-aquatic facilities.
- Incident Reporting and Response:
 - Ensure the processes for reporting and responding to incidents in non-aquatic areas.
- Staff Induction Process:
 - Audit the current staff induction processes for roles outside of aquatics.
 - Assess the specificity and adequacy of job role training, especially for Duty Officers, Lifeguards and Team Leaders.
 - Provide (if needed) recommendations for developing comprehensive, role specific inductions.

2. Methodology

The review undertook the following approach:

- Obtained copies of all policies, procedures, guidelines etc and the Centre's risk registers that relate to the Kwinana Recquatic Centre operations.
- Identified all relevant and key legislative and management control matters that require compliance and assessed, where appropriate, to determine as to whether the stated management controls were being adhered to and that the Centre is satisfactorily complying with any applicable legislative requirements. Only key legislative requirements were assessed as part of this audit/review.
- Undertook a site visit to the Recquatic Centre, undertook a walkthrough of the processes to determine whether proper safety and management controls were in place and/or require further improvement.
- Discussed issues with the relevant Centre Manager to seek agreement to our recommended action(s) if any.
- Issued draft internal audit report to the Kwinana Recquatic Manager for discussion and to seek written management comments regarding our findings and recommendations.
- Issued final internal audit report which included management comments.

3. Statement of Responsibility

The matters raised in this internal audit report are only those which came to our attention during the course of performing our internal audit and may not necessarily be a comprehensive statement of all the possible issues that may exist or improvements that may be made in relation to the Kwinana Recquatic Centre Safety review.

The internal audit has been conducted in accordance with the “*International Standards for the Professional Practice of Internal Auditing*” contained in the “*International Professional Practices Framework*” issued by the Institute of Internal Auditors Australia.

In our professional judgement, sufficient and appropriate audit procedures were completed and appropriate evidence gathered to support the accuracy of the conclusions reached and contained in this report.



Santo Casilli FCPA PFIIA
Associate Director Internal Audit, Probitry and Risk

4. Detailed Findings and Recommendations

Audited Area: Kwinana Recquatic Centre Safety

Audited Activity: Policies and Procedures

Finding	Implication	Recommendation	Management Comments
<p>1.0 Policies and Procedures</p> <p>There is a document Register in place which lists all the documented procedures, processes and work instructions applicable for the Kwinana Recquatic Centre. However, the register shows that a number of these policies, procedures and work instructions are out of date. For example, a Creche Handbook is in place covering all aspects of the Creche operations. However, this Handbook has not been updated since 2019.</p> <p>Further, we understand that Kwinana Recquatic Centre Management has instructed staff to leave together when the Centre closes at 9pm late at night and for the Duty Officer to accompany the staff to their car. However, this requirement has not been formally included in the Centre's policies or procedures and also not included in staff induction checklists.</p>	<p>Risk: Low</p> <ul style="list-style-type: none"> Out of date policies, procedures and work instructions reduces compliance and staff awareness of all required policies and practices and also may not be keeping up to date with relevant legislation changes. 	<p>We recommend that the Kwinana Recquatic Manager:</p> <ul style="list-style-type: none"> give consideration to reviewing all of its existing policies, practices and work instructions and ensure they are regularly reviewed at least every 2-3 year. Ensure that staff instructions on leaving work late after hours be included in a formal work instruction to staff and also be included in the Centre's induction program. 	<p>Responsibility: Kwinana Recquatic Manager</p> <p>Manager Comments</p> <ul style="list-style-type: none"> Review of all existing policies, practices, and work instructions will be conducted in 24/25 FY, and all added to Promapp, this will become a Recquatic Leadership team KPI. <p>Due Date</p> <ul style="list-style-type: none"> EOFY 24/25 Staff instructions on leaving work for close shift or in dark will be formalised and included in both as a risk and in the Centre's induction checklist. <p>Due Date</p> <ul style="list-style-type: none"> 31 Dec 2024

Audited Area: Kwinana Recquatic Centre Safety

Audited Activity: Process Improvements

Finding	Implication	Recommendation	Management Comments
<p>2.0 Process Improvements</p> <p>As part of our site visit, we noted the following matters that should be considered to further improve existing safety matters at the Centre:</p> <p>Customer Experience</p> <ul style="list-style-type: none"> Except for casual gym users, there is no formal sign-in/sign-out process for other visitors to the Centre. Therefore, it is not known at any point in time who or how many people have entered the Centre or are in the Centre. We understand from the Centre Manager that the Centre could procure a People Counting software which can provide accurate real-time people traffic information within the Centre. We believe this would be valuable to the City and the Centre should there be an unforeseeable incident at the Centre and the Centre requires evacuation. There is a sign at the front entrance of the Centre which provides information on conditions of entry. 	<p>Risk: Medium</p> <ul style="list-style-type: none"> The Kwinana Recquatic Centre is considered highly risky to the City due to the level of activities that it provides to a variety of users and as such the City could be liable for injuries sustained within the Centre by patrons should the City not take all the necessary precautions to reduce risk of injury and/or take immediate action should an injury be sustained. 	<p>We recommend that the Kwinana Recquatic Manager:</p> <ul style="list-style-type: none"> Consider either introducing a formal sign in/sign out for all Centre visitors which may be impractical or investigate and implement a people counting system which can provide on time live data on all visitors entering and leaving the Centre. Consider upgrading the sign at the front of the Centre entrance to clearly state that visitors enter at own risk. 	<p>Responsibility: Kwinana Recquatic Manager</p> <p>Management Comments:</p> <p>At peak times, sign in and sign out for all patrons is not practical, People Counting Software can be introduced at relatively low cost. Proposal was sent last year, this will be updated and sent again for approval and implementation.</p> <p>Due Date</p> <ul style="list-style-type: none"> EOFY 24/25 <p>The sign at the front of the Centre does have condition number 1 as. Customers enter Kwinana Recquatic at their own risk.</p> <p>Due Date</p> <ul style="list-style-type: none"> NA

Internal Audit Report

City of Kwinana – Recquatic Centre Safety

Finding	Implication	Recommendation	Management Comments
<p>However, the current sign does not include an indemnity clause such as patrons using the Centre’s facilities at their own risk. We believe that adequate enter at own risk signage should be in place at the front entrance to ensure the City is protected in case a patron is injured while in the facility.</p> <p><u>Fitness programs (Gym & Group Fitness)</u></p> <ul style="list-style-type: none"> • There are 4 separate areas for the Fitness program which includes Cardio studio, functional training studio, a Gym and also a group fitness room. Although there are adequate CCTV in each room, there are no safety signs to warn patrons of the risks and also that they are using the equipment at their own risk. We believe that adequate use at own risk signage should be in place in these highly injury risk area to ensure the City is protected in case a patron is injured while using facility equipment. • There is only 1 Gym instructor covering the 3 fitness areas being the Gym, Cardio and Functional training studios. These studios are at various levels of the Centre requiring the Gym Duty Supervisor to travel between the various studios 		<ul style="list-style-type: none"> • Consider introducing safety warning signs in each of the Gym and Fitness rooms. • Consider providing CCTV display screens within the Gym Duty Supervisors office and install an emergency alarm buttons in the 3 Gym studios. 	<p>Manager Comments</p> <ul style="list-style-type: none"> ▪ Safety is in place in main gym with large equipment, additional warning signs will be introduced in Cardio, functional and group fitness rooms. <p>Due Date</p> <ul style="list-style-type: none"> ▪ 31 Dec 2024 <p>Manager Comments</p> <ul style="list-style-type: none"> ▪ CCTV access for Fitness areas can be added to the Gym team computer. ▪ Personal duress alarms will be investigated for gym spaces and assessed depending on whether reasonably practical. <p>Due Date</p> <ul style="list-style-type: none"> ▪ 31 Dec 2024

Internal Audit Report

City of Kwinana – Recquatic Centre Safety

Finding	Implication	Recommendation	Management Comments
<p>to keep an eye on the patrons using the equipment. Although each of the studios has a CCTV, there is no CCTV display screens within the Gym Duty Supervisors office to enable the Gym Duty Supervisor to effectively monitor the activities in each of the three studios at any given point. Camera vision screens would allow the Gym duty Supervisor to monitor all 3 areas at the same time. Also, it would be beneficial to have an emergency alarm available in the studios for the users to press when needed in case of an emergency due to injury.</p> <p>Sports & Programs</p> <ul style="list-style-type: none"> The sign displayed at the indoor sports stadium states "play at own risk". However, there is only 2 small signs covering the whole area. <p>Creche</p> <ul style="list-style-type: none"> Creche policy states that the same parent signing in a child has to also sign out the child before the Child can leave the Creche area. Although we consider this is a sensible policy, there is no formal verification check to ensure the person who signed in a child is also the same person that signs the child out. At present such 		<ul style="list-style-type: none"> Consider installing more play at your own risk signs in the indoor sports stadium. Consider introducing some form of parent verification checks to be implemented at the point a parent is picking up their child at the Creche. This could be in the form of providing their driver's license or each parent may be given an identification tag that can be presented when signing out their child. 	<p>Manager Comments</p> <ul style="list-style-type: none"> Additional "play at your own risk" signs will be installed in the indoor sports stadium. <p>Due Date</p> <ul style="list-style-type: none"> 31 Dec 2024 <p>Manager Comments</p> <ul style="list-style-type: none"> Risk assessment will be completed for this to identify the best reasonably practical outcome, checking identification every visit is not practical for known parents. <p>Due Date</p> <ul style="list-style-type: none"> 31 Dec 2024

Internal Audit Report

City of Kwinana – Recquatic Centre Safety

Finding	Implication	Recommendation	Management Comments
<p>verification is only done through staff remembering and also getting to know the regular parents. To assist this and to minimise possible risk of a child being picked up by a non-parent or not by the same parent that signed in the child, the Creche should consider seeking some form of identification of the person signing out a child to confirm they are the actual child's parent.</p> <ul style="list-style-type: none"> There is no documented policy to exclude sick children in the Creche Handbook except that parents have a responsibility to notify Creche staff that a child is sick. We believe that in order to prevent the spread possible sickness to other Creche users that the Creche has a formal policy in place to deny a sick child from entering the Creche should that child impose a risk to other children and Creche staff. We noted that there are no CCTV cameras or duress alarm in the Creche or even in the outside play area. This would be essential and would protect the City should a child be injured while in the Creche and the child's parent decides to take legal action against the City. 		<ul style="list-style-type: none"> Consider implementing a formal policy to exclude sick children from the Creche where it is the opinion of the Creche Supervisor that the child poses a risk to other children and staff. Consider installing CCTV and duress alarms in the Creche and outside play area. 	<p>Manager Comments</p> <ul style="list-style-type: none"> A written procedure to exclude sick children from the Creche, based on the Creche Supervisor's assessment, will be implemented as part of the onboarding process to creche as part of term and conditions of use. <p>Due Date</p> <ul style="list-style-type: none"> EOFY 24/25 <p>Manager Comments</p> <ul style="list-style-type: none"> This will be discussed with CoK building team, and if feasible CCTV and duress alarms will be installed in the Creche and outside play area. <p>Due Date</p> <ul style="list-style-type: none"> 31 Dec 2024

Internal Audit Report

City of Kwinana – Recquatic Centre Safety

Finding	Implication	Recommendation	Management Comments
<p><u>Risk Register</u></p> <ul style="list-style-type: none"> The Kwinana Recquatic Centre has a Risk Register which has identified safety relevant risks and the controls / risk treatments that are in place to mitigate these safety risk. However, we believe that the controls/risk treatment's recorded in the risk register does not adequately describe all of the controls/risk treatments that currently are in place and should be updated to reflect all of the safety controls and risk treatments that have been implemented and currently exist at the Centre. Creche related risks have not been identified and included in the Kwinana Recquatic Risk Register. Although Creche related risks have been included in the Community Facilities risk register, given that a Creche is also within the Kwinana Recquatic Centre, the risks should also be captured and managed in the Kwinana Recquatic Centre's risk register. <p><u>Inductions</u></p> <ul style="list-style-type: none"> Each Team Leader has developed Induction Checklist for their own team except for Gym & Group 		<ul style="list-style-type: none"> Consider updating the Recquatic Centre risk register to acknowledge all of the safety and risk prevention processes that are in place. This will then allow these safety and risk prevention processes to be subject to continual review to ensure safety and risk mitigation processes are continually being effective. Consider including all Creche related risk in the Centre's risk register as a matter of priority. Consider and give priority to ensuring that induction checklists and role specific manuals are 	<p>Manager Comments</p> <ul style="list-style-type: none"> The Recquatic Centre risk register will be updated with more specific controls and risk treatment to the centre. <p>Due Date</p> <ul style="list-style-type: none"> EOFY 24/25 <p>Manager Comments</p> <ul style="list-style-type: none"> All Creche-related risks will be included in the Centre's risk register as a priority. <p>Due Date</p> <ul style="list-style-type: none"> 31 Dec 2024 <p>Manager Comments</p> <ul style="list-style-type: none"> All frontline staff role specific inductions and

Internal Audit Report

City of Kwinana – Recquatic Centre Safety

Finding	Implication	Recommendation	Management Comments
<p>Fitness and Sports & Programs teams.</p> <ul style="list-style-type: none"> Role Specific Manuals have been developed except for Team Leader & Sport Supervisor roles. <p>We understand that these are in the process of being developed and should be given priority.</p>		<p>developed for all team leaders.</p>	<p>manuals are being completed in Q1 24/25.</p> <p>Due Date</p> <ul style="list-style-type: none"> 30 Sept 2024 <p>Manager Comments</p> <ul style="list-style-type: none"> Induction checklists and role-specific manuals are being developed for all frontline staff. These will cover 95% of what the Team Leaders will need to know for their team, as such, new team Leaders will receive a Recquatic general induction as well as be run through their direct reports induction. An additional role specific manual is not deemed necessary for team Leaders. <p>Due Date</p> <ul style="list-style-type: none"> NA

Appendix A – Risk Criteria

The following risk criteria were used to assess level of risk on audit findings included in this Audit Report.

Risk Assessment Matrix

Likelihood of Risk:

Rating	Description	Frequency
1	Rare – May occur, only in exceptional circumstances	< once in 15 years
2	Unlikely – Could occur at some time	At least once in 10 years
3	Possible – Should occur at some time	At least once in 3 years
4	Likely – Will probably occur in most circumstances	At least once per year
5	Almost Certain – Expected to occur in most circumstances	> once per year

Consequence of Risk:

Description	Health	Financial Loss	Operation	Compliance	Reputation	Project
1.Insignificant	No injuries or illness	<\$50,000	Little Impact	Minor breach of policy, or process requiring approval or variance	Unsubstantiated, low impact, low profile or no news item.	Small variation to cost, timeliness, scope or quality of objectives and required outcomes.
2. Minor	First Aid treatment	\$50,000 to \$250,000	Inconvenient Delays	Breach of policy, process or legislation requiring attention of minimal damage control	Substantiated, low impact, low news profile.	5-10% increase in time or cost or variation to scope objective requiring approval
3. Moderate	Medical treatment required	\$250,000 to \$1 million	Significant delays to major deliverables	Breach requiring internal investigation, treatment or moderate damage control	Substantiated, public embarrassment, moderate impact, moderate news profile.	10-20% increase in time or cost or variation to scope objective requiring Senior Management approval

Internal Audit Report

City of Kwinana – Recquatic Centre Safety

4. Significant	Death or extensive injuries	\$1 million to \$3 million	Non achievement of major deliverables	Breach resulting in external investigation or third party actions resulting in tangible loss and damage to reputation	Substantiated, public embarrassment, moderate impact, high news profile and 3 rd party actions.	20-50% increase in time or cost or significant variation to scope objective requiring restructure of project and Senior Management or Council approval
5. Severe	Multiple deaths or sever permanent disabilities	>\$3 million	Non achievement of major deliverables	Breach resulting in external investigation or third party actions resulting in significant tangible loss and damage to reputation	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, 3 rd party actions.	>50% increase in time or cost or inability to meet project objectives requiring the project to be abandoned or redeveloped

Risk Exposure:

Risk = Likelihood x Consequence

Score	Level of Risk	Score	Level of Risk	Score	Level of Risk
1 - 8	Low	9 - 19	Medium	20 - 25	High



City of Kwinana

Essential Services: Parking Infringements and Pet Registration

17 July 2024

Final Report

(Audit in Confidence)

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Table of Contents

Executive Management Summary.....	3
1. Objective & Scope	5
2. Methodology	6
3. Statement of Responsibility.....	7
4. Detailed Findings and Recommendations	8
5. Observations.....	14
Appendix A – Risk Criteria.....	16

Executive Management Summary

The City of Kwinana (“the City”) has requested Australian Audit to undertake a review of the Parking Infringements and Pet Registration processes and procedures.

The Essential Services business unit is responsible for issuing parking infringements and for the registration of pets.

In accordance with the Local Government Act 1995, Local Government (Functions and General) Regulations 1996 and the City of Kwinana Local Laws relating to Parking, the City of Kwinana is responsible for issuing infringement notices for vehicle offences to owners of the vehicles.

In accordance with the Local Government Act 1995, staff responsible for issuing infringement notices are required to be appointed as an “authorised person”. The City’s Authorisations Register identifies that Rangers currently have delegation to issue infringements under Section 9 of the Local Government Act 1995. Parking fees and infringement notices are charged in accordance with the approved schedule of fees in the Local Law.

The Cat Act 2011 requires all cats over the age of six (6) months to be sterilised, microchipped and registered. Registration is not accepted until the cat is sterilised and microchipped. The Dogs Act 1976 requires all dogs over the age of three (3) months to be microchipped and registered. Registration will not be accepted until the dog is microchipped.

The Essential Services team is in the process of transitioning from Authority to the new Animals and Infringements modules in OneCouncil system and therefore our review of the pet registration process was limited. Based on our limited work, it is concluded that satisfactory processes are in place for the registration of the animals. However, based on our audit relating to controls over the parking infringement process we can conclude that overall, process improvements are warranted in this area.

The following matters were assessed as low risk management control and process improvement matters. Although there is no immediate need by management to address these matters, as they are not considered to be high risk matters, we nevertheless feel that the matters required reporting for management consideration and possible further investigation:

In summary the following matters require improvement:

- **Parking Infringements Procedures Manual.** The current procedures manual only covers work instructions for the issuing of an infringement and evidence gathering. It doesn’t cover the process for voiding infringements, follow up procedures, referring to FER, legal action process, tasks performed by the Admin Officer and monitoring controls.
- **Policy / Protocol on Approving Infringement Withdrawals.** There is currently no documented policy or protocol outlining circumstances where an infringement may be withdrawn.
- **Voided / Cancelled Infringements.** There is no register maintained of the voided / cancelled infringements. The voided / cancelled infringements are not recorded in Authority. The parking officers can cancel / void an infringement notice before it is issued if they become aware of any errors from their part.

- **Monitoring of Parking Infringements.** There are currently no monitoring controls in place to ensure withdrawals processed in Authority are approved, cancellation / voiding of the infringements are for valid reasons and that the follow up actions are undertaken in a timely manner.
- **Training of Parking Officers.** There is currently no structured, formalised and documented training plan or training record for the parking officers.

1. Objective & Scope

The objectives of this audit were to ensure that procedures related to parking enforcement and pet registration are well-documented, appropriate, and consistently followed by staff.

The audit focussed on the following key matters:

- Parking Tickets:
 - Review the procedures for issuing parking tickets, including the evidence gathering process.
 - Assess whether these procedures are followed consistently and documented appropriately.
 - Evaluate the training provided to staff responsible for issuing tickets to ensure understanding and compliance.
- Pet Registration Procedures:
 - Examine the processes for pet registration to verify their appropriateness and effectiveness.
 - Assess the documentation and record-keeping practices for pet registrations.
 - Review staff adherence to pet registration procedures and the consistency of their application.

2. Methodology

The review undertook the following approach:

- Obtained copies of all policies, procedures, guidelines etc and the City's strategic and operational risk registers that relate to the incident reporting process.
- Identified all relevant and key legislative and internal control matters that require compliance and undertake sample testing, where appropriate, to determine as to whether the stated management controls are being adhered to and that the City is satisfactorily complying with any applicable legislative requirements.
- Where appropriate met with relevant staff to identify and document the processes in place, seek any concerns staff may have with current processes and to identify, if any, additional system controls that may be required.
- Assessed and compared the existing management controls in place within the City, against our pre-determined "Desirable Control Model" to evaluate the adequacy of the existing system controls.
- Where appropriate, undertook a walkthrough of the processes to determine whether proper system controls in place are operating satisfactorily and/or require further improvement.
- Discussed all findings with relevant staff throughout the review process to ensure our findings are factually correct and to seek agreement to our recommended action(s).
- Issued draft internal audit report to the City's CEO and the City's Manager Governance & Legal for discussion and to seek written management comments regarding our findings and recommendations.

3. Statement of Responsibility

The matters raised in this report are only those which came to our attention during the course of performing our audit and may not necessarily be a comprehensive statement of all the possible issues that may exist or improvements that may be made in relation to the Parking Infringement and Pet Registration processes.

The internal audit has been conducted in accordance with the “*International Standards for the Professional Practice of Internal Auditing*” contained in the “*International Professional Practices Framework*” issued by the Institute of Internal Auditors.

In our professional judgement, sufficient and appropriate audit procedures were completed and appropriate evidence gathered to support the accuracy of the conclusions reached and contained in this report.



Santo Casilli FCPA PFIIA
Associate Director

4. Detailed Findings and Recommendations

Audited Area: Parking Infringements

Audited Activity: Documented Procedures

Finding	Implication	Recommendation	Management Comments
<p>1.0 Parking Infringements Procedures Manual</p> <p>The current procedures manual only covers work instructions for the issuing of an infringement and evidence gathering. It would be beneficial if the procedures document also covers the following:</p> <ul style="list-style-type: none"> • Voiding / cancelling of the infringements. • Follow up procedures including timeframes for the outstanding infringement notices. • Referring to Fines and Enforcement Registry • Appeal, review and withdrawal approval process. • Legal action process • Tasks performed by the Administration Officer. • Monitoring controls to be employed such as review of withdrawals and cancellations processed in the system, review of outstanding infringement reports etc. 	<p>Risk: Low</p> <ul style="list-style-type: none"> • Loss of knowledge in the event of key staff turnover. • Without clear instructions and procedural document staff may not have a clear understanding of what is expected of them. 	<p>We recommend that:</p> <ul style="list-style-type: none"> • Management develops procedures / work instructions that covers the process for voiding infringements, follow up procedures, referring to FER, legal action process, tasks performed by the Administration Officer and monitoring controls. 	<p>Responsibility:</p> <p>Action Due Date: ASAP</p> <p>Management Comments:</p> <p>Limitations with Authority have prevented some of these items being developed. OneCouncil is expected to improve reporting capability.</p> <p>Accept recommendations and will proceed to develop and implement proposed improvements relating to voiding, follow up, legal action and monitoring controls.</p>

Audited Area: Parking Infringements

Audited Activity: Withdrawal of Infringements

Finding	Implication	Recommendation	Management Comments
<p>2.0 Policy / Protocol on Approving Withdrawal of Infringements</p> <p>There is currently no documented policy or protocol outlining circumstances where an infringement may be withdrawn.</p> <p>On appeal by the parking offender, an infringement notice may be reviewed and withdrawn by the Manager Essential Services. There are no set criteria applied, it is assessed on a case by case basis.</p>	<p>Risk: Low</p> <ul style="list-style-type: none"> This may imply lack of fairness and transparency in the decision making process. 	<p>We recommend that:</p> <ul style="list-style-type: none"> Management should develop a policy or protocol which outlines the circumstances where an infringement may be withdrawn. These may include but not limited to for example: <ul style="list-style-type: none"> A broken-down vehicle emergency A car accident emergency A hospital emergency The vehicle was stolen Management should also consider incorporating within the policy circumstances under which the infringement may not be withdrawn. 	<p>Responsibility:</p> <p>Action Due Date: ASAP</p> <p>Management Comments:</p> <p>Accept recommendations and will proceed to develop and implement proposed improvements relating to a policy for approval of infringement withdrawals that provides structure around what defines an approval and refusal.</p>

Audited Area: Parking Infringements

Audited Activity: Voided / Cancelled Infringements

Finding	Implication	Recommendation	Management Comments
<p>3.0 Voided / Cancelled Infringements</p> <p>There is no register maintained of the voided / cancelled infringements. The voided / cancelled infringements are not recorded in Authority. The parking officers can cancel / void an infringement notice before it is issued if they become aware of any errors from their part.</p> <p>The Administration Officer records in Authority the date when the Parking Book is issued, however, there is no recording of when the book is returned. The Administration Officer stated that when the books are returned, she checks for missing infringements. However, there is no evidence of review and monitoring of the missing infringements to ensure there are valid reasons for voiding / cancelling the infringements.</p> <p>Review of infringements issued during a 12-month period identified the following missing infringements numbers.</p> <p>52093, 52094, 52095, 52099, 52510, 53255, 53506, 53258, 53259, 53279, 53406, 53425</p>	<p>Risk: Low</p> <ul style="list-style-type: none"> This may imply lack of fairness and transparency in the decision-making process. 	<p>We recommend that:</p> <ul style="list-style-type: none"> Management should capture all infringements (including voided / cancelled) in Authority. The parking officers should not be able to cancel / void an infringement without prior approval from the Manager Essential Services. Once approved, the Admin Officer should void / cancel the infringement in the system noting the reason. We understand that with the implementation of the OneCouncil system, the manual parking books will not be in use, therefore no recommendation is made with regard to recording the date of return of the books in Authority. 	<p>Responsibility:</p> <p>Action Due Date: ASAP</p> <p>Management Comments:</p> <p>Accept recommendations and will proceed to develop and implement proposed improvements relating to the recording of voided, non-issued infringements.</p>

Audited Area: Parking Infringements

Audited Activity: Monitoring

Finding	Implication	Recommendation	Management Comments
<p>4.0 Monitoring of Withdrawals</p> <p>There are currently no monitoring controls in place to ensure:</p> <ul style="list-style-type: none"> Withdrawals of infringements processed in the system are only those that have been approved by the delegated officer. <p>The report provided of the withdrawals processed for a period of 12 month, showed that there were only 11 infringements that were withdrawn with a value of \$1,205.</p> <ul style="list-style-type: none"> Follow ups actions are undertaken in a timely manner. Voided / cancelled infringements are for valid reasons. At the moment, the voided / cancelled infringements are not captured anywhere, so this monitoring is not possible. 	<p>Risk: Low</p> <ul style="list-style-type: none"> Unauthorised withdrawals may be processed in the absence of proper authorisation and go undetected causing possible loss of infringement revenue. 	<p>We recommend that management should:</p> <ul style="list-style-type: none"> On a regular basis, produce a report from the Infringement module showing all the infringement withdrawals processed in the infringement system. The report should be verified against the approvals by the delegated officer to ensure proper process and justification for withdrawal was met and warranted. Produce a report on the voided / cancelled infringements to ensure these are not excessive and are authorised. Produce an aged report on the outstanding infringements and ensure appropriate follow up actions are taken in a timely manner. <p>The monitoring control should be undertaken by an officer who does not have access to the Infringement system.</p>	<p>Responsibility:</p> <p>Action Due Date: ASAP</p> <p>Management Comments:</p> <p>Aged reports are currently able to be produced. A process will be developed to ensure that aged reports are reconciled with FER records on an accepted frequency to improve assurance.</p> <p>Accept recommendations and will proceed to develop and implement proposed improvements relating to Monitoring of Infringement Withdrawals, Voided Infringements and Aged Infringements reports.</p>

Audited Area: Parking Infringements

Audited Activity: Training

Finding	Implication	Recommendation	Management Comments
<p>5.0 Training of Parking Officers</p> <p>There is currently no structured, formalised and documented training plan for the parking officers.</p>	<p>Risk: Low</p> <ul style="list-style-type: none"> Lack of transparency over the training provided to parking officers supporting their appointment as authorised persons under section 9 of the Local Government Act. 	<p>We recommend that:</p> <ul style="list-style-type: none"> A more formalised training plan should be developed for the parking officers. Training records should be maintained. 	<p>Responsibility:</p> <p>Action Due Date: ASAP</p> <p>Management Comments:</p> <p>Accept recommendations and will proceed to develop and implement proposed improvements relating to formalised parking officer training and related records.</p>

5. Observations

Audited Activity	Area /	Observation																																								
Issue of Infringements		<p>During sample testing of 5 infringements issued, we identified the following:</p> <ul style="list-style-type: none"> One (1) instance (53090) of data entry error. The registration number was entered incorrectly in Authority. The infringement status shown on the report from Authority was incorrect for three (3) infringements.(53090, 53262 & 53280) <p>We could not complete our testing as the Essential Services team is in the process of transitioning to the Animals and Infringements modules in OneCouncil system and therefore allocate time to this Audit.</p>																																								
Withdrawal Infringements	of	<p>During sample testing of 3 infringements withdrawn, we identified the following:</p> <ul style="list-style-type: none"> Two (2) (53067 & 52984) instances of data entry errors. The infringement issue date capture in Authority did not match the date on the infringement notice. One (1) (52984) instance where the original penalty figure on the infringement notice did not agree with the amount recorded in Authority. One (1) (53067) instance where there was no evidence of the review done of the appeal made by the offender, and the decision made by the City. Two (2) of the infringement withdrawals were approved by the Manager Essential Services. The reason for the decision to withdraw one of these (53251) is not clear. <p>We could not complete our testing as the Essential Services team is in the process of transitioning to the Animals and Infringements modules in OneCouncil system and therefore allocate time to this Audit.</p>																																								
Outstanding Infringements	Parking	<p>Audit requested a report which lists all outstanding infringements, however we have not received this report at the time of writing this audit report, therefore we could not assess the adequacy of the follow up procedures followed.</p> <p>Audit did receive a report of infringements issued during the period of 9 Jul 2023 and 28 May 2024. Of the 137 infringements that were issued, 48 were paid and 3 were withdrawn. Of the remaining 86 infringements showing as outstanding, the infringement status is shown as follows:</p> <table border="1" data-bbox="528 1442 1396 1727"> <thead> <tr> <th>Infringement Status</th> <th>0-28 days</th> <th>28 - 56 days</th> <th>>56 days</th> <th>Grand Total</th> </tr> </thead> <tbody> <tr> <td>Issued</td> <td>20</td> <td></td> <td>26</td> <td>46</td> </tr> <tr> <td>Issued to Offender</td> <td>8</td> <td>6</td> <td>11</td> <td>25</td> </tr> <tr> <td>On Appeal</td> <td></td> <td></td> <td>1</td> <td>1</td> </tr> <tr> <td>On Hold</td> <td>1</td> <td></td> <td>1</td> <td>2</td> </tr> <tr> <td>Sent to FER</td> <td></td> <td></td> <td>5</td> <td>5</td> </tr> <tr> <td>Vehicle Rego Search in Progress</td> <td>5</td> <td>2</td> <td></td> <td>7</td> </tr> <tr> <td>Grand Total</td> <td>34</td> <td>8</td> <td>44</td> <td>86</td> </tr> </tbody> </table> <p>The table above shows that 37 infringements with an issued status are outstanding for more than 56 days. Based on the City's policy, after 28 days from the date the infringement was issued, a final demand letter is to be sent and 28 days after that, if it is unpaid, the infringement should be referred to the Fines Enforcement Registry.</p>	Infringement Status	0-28 days	28 - 56 days	>56 days	Grand Total	Issued	20		26	46	Issued to Offender	8	6	11	25	On Appeal			1	1	On Hold	1		1	2	Sent to FER			5	5	Vehicle Rego Search in Progress	5	2		7	Grand Total	34	8	44	86
Infringement Status	0-28 days	28 - 56 days	>56 days	Grand Total																																						
Issued	20		26	46																																						
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Vehicle Rego Search in Progress	5	2		7																																						
Grand Total	34	8	44	86																																						

	<p>It appears that this has not been the case for the 37 infringements. However, as noted above, the status shown on the Authority Report may not be correct, therefore reliance cannot be placed on the above data. Management should investigate as to whether the data is reliable and correct.</p> <p>Management Comments</p> <p>Although the observation is correct based on the information provided, the information retrieved from Authority was incorrect due to a system error. This issue will be rectified with the implementation of the new system. Steps have been put in place to ensure that the correct data is being transferred accurately into the new system. A KPI has been set for Essential Services to review all notices to ensure that all information and data is correct before being transferred to the new system.</p> <p>Currently all appeal response emails are recorded in either CM9 or OneCouncil, depending upon the date of the appeal request. The responses include full reasoning for the decision. Examples can be provided upon request. We are happy to develop an internal mini-audit process to review to assess quality/accuracy of data going forward on a monthly or quarterly basis. Noting that the commencement of OneCouncil Infringements module and hopefully a solution such as PinForce will reduce the potential for transcription errors.</p>
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Appendix A – Risk Criteria

The following risk criteria were used to assess level of risk on audit findings included in the Audit Report.

Risk Assessment Matrix

Likelihood of Risk:

Rating	Description	Frequency
1	Rare – May occur, only in exceptional circumstances	< once in 15 years
2	Unlikely – Could occur at some time	At least once in 10 years
3	Possible – Should occur at some time	At least once in 3 years
4	Likely – Will probably occur in most circumstances	At least once per year
5	Almost Certain – Expected to occur in most circumstances	> once per year

Consequence of Risk:

Description	Health	Financial Loss	Operation	Compliance	Reputation	Project
1. Insignificant	No injuries or illness	<\$50,000	Little Impact	Minor breach of policy, or process requiring approval or variance	Unsubstantiated, low impact, low profile or no news item.	Small variation to cost, timeliness, scope or quality of objectives and required outcomes.
2. Minor	First Aid treatment	\$50,000 to \$250,000	Inconvenient Delays	Breach of policy, process or legislation requiring attention of minimal damage control	Substantiated, low impact, low news profile.	5-10% increase in time or cost or variation to scope objective requiring approval
3. Moderate	Medical treatment required	\$250,000 to \$1 million	Significant delays to major deliverables	Breach requiring internal investigation, treatment or moderate damage control	Substantiated, public embarrassment, moderate impact, moderate news profile.	10-20% increase in time or cost or variation to scope objective requiring Senior Management approval
4. Significant	Death or extensive injuries	\$1 million to \$3 million	Non achievement of major deliverables	Breach resulting in external investigation or third party actions resulting in tangible loss and damage to reputation	Substantiated, public embarrassment, moderate impact, high news profile and 3 rd party actions.	20-50% increase in time or cost or significant variation to scope objective requiring restructure of project and Senior Management or Council approval
5. Severe	Multiple deaths or sever permanent disabilities	>\$3 million	Non achievement of major deliverables	Breach resulting in external investigation or third party actions resulting in significant tangible loss and damage to reputation	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, 3 rd party actions.	>50% increase in time or cost or inability to meet project objectives requiring the project to be abandoned or redeveloped

Risk Exposure:

Risk = Likelihood x Consequence

Score	Level of Risk	Score	Level of Risk	Score	Level of Risk
1 - 8	Low	9 - 19	Medium	20 - 25	High

ATTACHMENT

CITY OF KWINANA

PERIOD OF AUDIT: YEAR ENDED JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM IT GENERAL CONTROLS AUDIT

Index of findings	Potential impact on audit opinion	Rating			Prior year finding
		Significant	Moderate	Minor	
1. Tenable Nessus Vulnerability Management	No		✓		
2. Network & Remote Access Management (N&RAM)	No		✓		✓
3. User Access Reviews (Finapp – Authority)	No		✓		✓

Key to ratings

The Ratings in this management letter are based on the audit team’s assessment of risks and concerns with respect to the probability and/or consequence of adverse outcomes if action is not taken. We give consideration to these potential adverse outcomes in the context of both quantitative impact (for example financial loss) and qualitative impact (for example inefficiency, non-compliance, poor service to the public or loss of public confidence).

Significant - Those findings where there is potentially a significant risk to the entity should the finding not be addressed by the entity promptly. A significant rating could indicate the need for a modified audit opinion in the current year, or in a subsequent reporting period if not addressed. However, even if the issue is not likely to impact the audit opinion, it should be addressed promptly.

Moderate - Those findings which are of sufficient concern to warrant action being taken by the entity as soon as practicable.

Minor - Those findings that are not of primary concern but still warrant action being taken.

ATTACHMENT

CITY OF KWINANA

PERIOD OF AUDIT: YEAR ENDED JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM IT GENERAL CONTROLS AUDIT

1. Tenable Nessus Vulnerability Management

Finding

We identified that no formal process is being followed for investigating and actioning critical Nessus vulnerability scan results. We were informed that vulnerabilities raised in the Nessus scan reports are actioned by the IT team on an ad hoc basis and are not recorded.

Rating: Moderate**Implication**

Failure to have effective vulnerability management policies, processes, and procedures increases the risk that the City cannot maintain an effective and secure cybersecurity posture. This could lead to potential cyber breaches, downtime, loss or exposure of critical systems or information.

Recommendation

The City should implement a formal vulnerability management process to investigate and remediate risks identified from critical vulnerabilities.

Management comment

Accepted and resolved.

Fortnightly scheduled task created and enacted for system administrator staff in ticket system to allow for scheduled and recorded investigations into vulnerability reports. First report implemented and enacted 30 May 2024.

Responsible person:**Manager Information Technology****Completion date:****COMPLETED 30/05/2024**

ATTACHMENT

CITY OF KWINANA

PERIOD OF AUDIT: YEAR ENDED JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM IT GENERAL CONTROLS AUDIT

2. Network Access Management**User Access Reviews**

We identified that the Network Active Directory (AD) user access reviews conducted between July 2023 and February 2024 only reviewed dormant accounts, and a user access review to verify that all users are currently employed and have an appropriate level of access for their current role was not performed.

We acknowledge that the City received the FY23 ITGC Audit Management Letter in December 2023 and have implemented the updated user access review process as of March 2024.

This finding was first raised in 2022.

Network AD Dormant Account Management

We identified 2 Network AD active accounts that had not logged in for over 180 days. We were informed that these users were on maternity leave. The identified accounts had access to the Financial Applications, TechOne and Authority due to Single Sign-On (SSO) being the authentication method.

We were informed that the process to disable users going on extended leave has now been implemented.

This finding was first raised in 2022.

Rating: Moderate**Implication**

Without adequate governance and effective user access management processes for AD, there is an increased risk of inappropriate or unauthorised access to the City's network. This unauthorised access can potentially impact the confidentiality and integrity of network resources and information.

Recommendation

Management should:

- Continue to review user access regularly to ensure that all users are currently employed and have an appropriate level of access for their current role. This review should include all accounts.
- Continue to place accounts on temporary expiry for users on extended leave.

Management comment

Resolved

This finding was closed last financial year, with the City's approach accepted at the time.

As part of the City's continuous improvement approach, and in the context of the previous recommendation, the existing approach has been improved through a decision by the Executive Leadership Team to apply a six-month limit on accounts for periods of extended leave (i.e. accounts disabled at the commencement of any leave approved for a period exceeding six months). This change was implemented on 16 May 2024.

Responsible person:

ATTACHMENT

CITY OF KWINANA

PERIOD OF AUDIT: YEAR ENDED JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM IT GENERAL CONTROLS AUDIT

Manager Information Technology

Completion date:

COMPLETED 16/05/2024

ATTACHMENT

CITY OF KWINANA

PERIOD OF AUDIT: YEAR ENDED JUNE 2024

FINDINGS IDENTIFIED DURING THE INTERIM IT GENERAL CONTROLS AUDIT

3. Finance Application (Authority) User Access Reviews**Finding**

We identified that user access reviews for Authority are not being performed. We were advised that these were not being performed due to Authority being replaced by TechOne.

This finding was raised in 2023.

Rating: Moderate

Implication

Without adequate user access reviews, there is an increased risk that individuals could perform activities in the financial application that are outside their responsibilities. Additionally, without verification that the review was conducted and approved by appropriate personnel, the adequacy of the reviews cannot be confirmed.

Recommendation

Management should regularly perform user access reviews over the Financial Application (Authority). The City should ensure that user access reviews:

- Are conducted to cover the entire user population appropriately.
- Include a review of user roles assigned to each user.
- Are conducted and approved by appropriate personnel, and any issues identified from user access reviews are promptly remediated.

Management comment

Accepted and Resolved

As a legacy system Authority was not expected to require upkeep for this long. Due to the ongoing nature of the ERP migration, the Authority system has been added to the ERP user access review process already in place for the new system, Technology One. The process was implemented on 10 May 2024, and will continue while the legacy system is live.

Responsible person:

Manager Information Technology

Completion date:

COMPLETED 10/05/2024

8.2 AUDIT ACTION LOG - PROGRESS REPORT

SUMMARY

Pursuant to regulation 16 of the *Local Government (Audit) Regulations 1996*, the Audit and Risk Committee (Committee) is responsible for assisting Council to discharge its responsibility to exercise due care, diligence, and skill in relation to the oversight of internal and external audits at the City.

Recommended areas of improvement identified through internal and external auditing of the City are recorded and tracked within the City's audit log until such actions are finalised. A copy of the City's audit log, including updated comments from responsible officers, is presented as a standard item at each meeting of the Committee.

The audit log as September 2024 is presented at **Attachment A** for noting by the Committee. New officer comments and any overdue actions are highlighted in red.

Since the Committee's previous meeting of 10 June 2024, the findings of the following completed audits have been added to the audit log:

1. Human Resources Incident Reporting Processes and Procedures; and
2. Recquatic Centre Safety Review;
3. Essential Service: Parking Infringements & Pet Registration; and
4. RSM Interim IT General Controls Audit.

OFFICER RECOMMENDATION

That the Audit and Risk Committee note the status of outstanding audit actions as detailed in the City of Kwinana Audit Log at Attachment A.

VOTING REQUIREMENT

Simple majority.

DISCUSSION

Due to an increased focus on the accountability of local governments, a review of the effectiveness of all business processes is becoming best practice. Internal auditing is one way to reduce risk and identify improvements in internal controls. There are many benefits to conducting internal audits, such as:

- improving the performance of the organisation;
- making the organisation process-dependent instead of person-dependent;
- identifying redundancies in operational and control procedures and the provision of recommendations to improve the efficiency and effectiveness of procedures;
- it serves as an early warning system, enabling deficiencies to be identified and remediated on a timely basis (i.e., prior to external, regulatory or compliance audits); and
- increasing accountability within the organisation and supporting strategic objectives (for example, cost reduction initiatives).

The audit log at Attachment A lists the status of all outstanding actions arising from previous audits (both internal and external).

Actions which were marked as finalised at the Committee's meeting of 10 June 2024 and subsequently removed from the audit log are as follows:

DLGSC – Compliance Audit Return

- a) IA: 2024/01 (1) s5.87C - Provisions about disclosure
- b) IA: 2024/01 (2) F&G Reg 11A(1) & (3) - Purchasing policies for local governments

Australian Auditors – Regulation 17 Review

- a) EA: 2023/12 (1) Legislative Compliance

RSM – Interim ITGC Audit

- a) EA: 2023 (1) Financial Application (TechOne) – User Access Management
- b) EA: 2023 (2) Network – User Access Management
- c) EA: 2023 (3) Logging and Monitoring
- d) EA: 2023 (4) Business Continuity and Cyber Security Incident Response
- e) EA: 2023 (5) Data Loss Prevention

RSM – 2022/23 Final Financial Audit

- a) EA: 2023 (1) Contributed assets recognition
- b) EA: 2023 (3) Formal documentation of review of rates data input into Authority
- c) EA: 2023 (4) Long Service Liability Rate

RSM – 2022/23 Final Financial Audit

- a) EA: 2023/06 (4.2(ii)) Investment of Surplus Funds
- b) EA: 2023/06 (4.5) Sundry Debtors
- c) EA: 2023/06 (4.6(iv)) Payroll
- d) EA: 2023/06 (4.7) Information Technology
- e) EA: 2023/06 (4.8(i)) Fixed Assets

STRATEGIC IMPLICATIONS

There are no strategic implications as a result of this proposal.

SOCIAL IMPLICATIONS

There are no social implications as a result of this proposal.

LEGAL/POLICY IMPLICATIONS

No legal/policy implications have been identified as a result of this report or recommendation.

FINANCIAL/BUDGET IMPLICATIONS

There are no financial implications that have been identified as a result of this report or recommendation.

ASSET MANAGEMENT IMPLICATIONS

No asset management implications have been identified as a result of this report or recommendation.

ENVIRONMENTAL/PUBLIC HEALTH IMPLICATIONS

No environmental or public health implications have been identified as a result of this report or recommendation.

COMMUNITY ENGAGEMENT

There are no community engagement implications as a result of this report or recommendation.

ATTACHMENTS

- A. **City of Kwinana - Audit Action Log (September 2024)** [↓](#)



AUDIT LOG

Summary

New Actions

Audit/Action	Risk Rating	Approved Completion Date	Status	Proposed Completion Date
RSM - Interim It General Controls Audit				
EA: 2024/07 (1) Tenable Nessus Vulnerability Management	Medium	N/A	Completed	N/A
EA: 2024/07 (2) Network & Remote Access Management (N&RAM)	Medium	N/A	Completed	N/A
EA: 2024/07 (3) User Access Reviews (Finapp – Authority)	Medium	N/A	Completed	N/A
Australian Auditors – HR Incident Reporting Processes and Procedures				
IA: 2024/06 (1.0) Policy and Framework Documents	Low	30 September 2024	Ongoing	30 September 2024
IA: 2024/06 (2.0) Monitoring against Reporting Timeframes	Low	31 December 2024	Ongoing	31 December 2024
IA: 2024/06 (3.0) Data Capture in MyOSH system	Medium	31 December 2024	Ongoing	31 December 2024
IA: 2024/06 (4.0) Corrective Action Items	Medium	30 September 2024	Ongoing	30 September 2024
IA: 2024/06 (5.0) Key Performance Indicators (KPIs)	Medium	31 December 2024	Ongoing	31 December 2024
Australian Auditors – Recquatic Centre Safety Review				
IA: 2024/07 (1.0) Policies and Procedures	Low	30 June 2025	Ongoing	31 December 2024
		31 December 2024	Ongoing	30 September 2024
IA: 2024/07 (2.0) Process Improvements	Medium	30 June 2025	Ongoing	30 June 2025
		31 December 2024	Ongoing	31 December 2024
		31 December 2024	Ongoing	31 October 2024
		31 December 2024	Ongoing	31 December 2024
		31 December 2024	Ongoing	31 October 2024
		30 June 2024	Ongoing	31 December 2024
		31 December 2024	Ongoing	31 December 2024
		30 June 2024	Ongoing	31 December 2024
		31 December 2024	Ongoing	31 December 2024
		30 September 2024	Ongoing	30 September 2024
Australian Auditors – Essential Services: Parking Infringements and Pet Registration				
IA: 2024/07 (1.0) Parking Infringements Procedures Manual	Low	ASAP	Completed	N/A
			Ongoing	31 October 2024
			Ongoing	30 September 2024
			Ongoing	30 September 2024
			Ongoing	30 September 2024
			Ongoing	31 October 2024
IA: 2024/07 (2.0) Policy / Protocol on Approving Withdrawal of Infringements	Low	ASAP	Ongoing	30 September 2024
			Ongoing	30 November 2024
IA: 2024/07 (3.0) Voided / Cancelled Infringements	Low	ASAP	Completed	N/A
IA: 2024/07 (4.0) Monitoring of Withdrawals	Low	ASAP	Ongoing	6 September 2024
			Ongoing	6 September 2024
			Ongoing	30 November 2024
			Ongoing	31 December 2024
IA: 2024/07 (5.0) Training of Parking Officers	Low	ASAP	Ongoing	31 December 2024
			Ongoing	31 December 2024



AUDIT LOG

Ongoing Actions (Previous Completed Audits)

Audit/Action	Risk Rating	Approved Completion Date	Status	Proposed Completion Date
Australian Auditors – Regulation 17 Review				
EA: 2023/12 (3) Payroll	Minor (Low)	-	Ongoing	30 September 2024
RSM – 2022/23 Final Financial Audit				
EA: 2023 (2) Long Service Leave and Annual Leave Reconciliation	Moderate (Medium)	30 June 2024	Ongoing	30 September 2024
Macri Partners – Financial Management Review				
EA: 2023/06 (4.2(iii)) Investment of Surplus Funds	Minor (Low)	31 December 2023	Ongoing	30 September 2024
EA: 2023/06 (4.6(v)) Payroll	Moderate (Medium)	31 December 2023	Ongoing	30 September 2024

Completed Actions (Previously Completed Audits)

Audit/Action	Risk Rating	Approved Completion Date	Status	Proposed Completion Date
EA: 2023/06 (4.6(i)) Payroll	Moderate (Medium)	31 December 2023	Completed	30 May 2024



AUDIT LOG

AUDIT REPORTS FINALISED SINCE PREVIOUS AUDIT AND RISK COMMITTEE MEETING

Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
RSM - Interim It General Controls Audit				
<p>EA: 2024/07 (1) Tenable Nessus Vulnerability Management</p> <p>Finding / Recommendation We identified that no formal process is being followed for investigating and actioning critical Nessus vulnerability scan results. We were informed that vulnerabilities raised in the Nessus scan reports are actioned by the IT team on an ad hoc basis and are not recorded.</p> <p>The City should implement a formal vulnerability management process to investigate and remediate risks identified from critical vulnerabilities.</p> <p>Risk Rating Medium</p>	<p>Management Comment Accepted and resolved.</p> <p>Fortnightly scheduled task created and enacted for system administrator staff in ticket system to allow for scheduled and recorded investigations into vulnerability reports. First report implemented and enacted 30 May 2024.</p> <p>Responsible Officer Manager IT</p>	<p>N/A</p>	<p>Completed</p>	



AUDIT LOG

Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
RSM - Interim It General Controls Audit				
<p>EA: 2024/07 (2) Network & Remote Access Management (N&RAM)</p> <p>Finding / Recommendation We identified that the Network Active Directory (AD) user access reviews conducted between July 2023 and February 2024 only reviewed dormant accounts, and a user access review to verify that all users are currently employed and have an appropriate level of access for their current role was not performed.</p> <p>We acknowledge that the City received the FY23 ITGC Audit Management Letter in December 2023 and have implemented the updated user access review process as of March 2024.</p> <p>This finding was first raised in 2022.</p> <p>Network AD Dormant Account Management We identified 2 Network AD active accounts that had not logged in for over 180 days. We were informed that these users were on maternity leave. The identified accounts had access to the Financial Applications, TechOne and Authority due to Single Sign-On (SSO) being the authentication method.</p> <p>We were informed that the process to disable users going on extended leave has now been implemented.</p> <p>Management should:</p> <ul style="list-style-type: none"> • Continue to review user access regularly to ensure that all users are currently employed and have an appropriate level of access for their current role. This review should include all accounts. • Continue to place accounts on temporary expiry for users on extended leave. <p>Risk Rating Medium</p>	<p>Management Comment Resolved</p> <p>This finding was closed last financial year, with the City's approach accepted at the time.</p> <p>As part of the City's continuous improvement approach, and in the context of the previous recommendation, the existing approach has been improved through a decision by the Executive Leadership Team to apply a six-month limit on accounts for periods of extended leave (i.e. accounts disabled at the commencement of any leave approved for a period exceeding six months). This change was implemented on 16 May 2024.</p> <p>Responsible Officer Manager IT</p>	<p>N/A</p>	<p>Completed</p>	



AUDIT LOG

Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
RSM - Interim It General Controls Audit				
<p data-bbox="255 327 792 352">EA: 2024/07 (3) User Access Reviews (Finapp – Authority)</p> <p data-bbox="255 373 517 399">Finding / Recommendation</p> <p data-bbox="255 400 819 515">We identified that user access reviews for Authority are not being performed. We were advised that these were not being performed due to Authority being replaced by TechOne. This finding was raised in 2023. Rating: Moderate</p> <p data-bbox="255 539 819 611">Management should regularly perform user access reviews over the Financial Application (Authority). The City should ensure that user access reviews:</p> <ul data-bbox="255 612 819 751" style="list-style-type: none"> • Are conducted to cover the entire user population appropriately. • Include a review of user roles assigned to each user. • Are conducted and approved by appropriate personnel, and any issues identified from user access reviews are promptly remediated. <p data-bbox="255 775 371 801">Risk Rating</p> <p data-bbox="255 802 338 828">Medium</p>	<p data-bbox="842 327 1070 352">Management Comment</p> <p data-bbox="842 354 1055 379">Accepted and resolved</p> <p data-bbox="842 400 1189 635">As a legacy system Authority was not expected to require upkeep for this long. Due to the ongoing nature of the ERP migration, the Authority system has been added to the ERP user access review process already in place for the new system, Technology One. The process was implemented on 10 May 2024, and will continue while the legacy system is live.</p> <p data-bbox="842 659 1037 684">Responsible Officer</p> <p data-bbox="842 686 949 711">Manager IT</p>	<p data-bbox="1209 327 1256 352">N/A</p>	<p data-bbox="1415 327 1518 352">Completed</p>	



AUDIT LOG

Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
Australian Auditors – HR Incident Reporting Processes and Procedures				
<p data-bbox="253 327 728 351">IA: 2024/06 (1.0) Policy and Framework Documents</p> <p data-bbox="253 375 526 399">Finding / Recommendation</p> <p data-bbox="253 399 817 470">The City has the following documents in place supporting the incident reporting processes. These documents have not been reviewed recently and now require review and possible update.</p> <ul data-bbox="253 470 817 726" style="list-style-type: none"> • Work Health and Safety Policy. The policy was last updated in April 2022. • Work Health and Safety Policy Statement. The statement was made in May 2022. • Safety and Health Management System Framework Tier 1. This document was developed in July 2020. This document has not been reviewed and updated since then. • Safety and Health Management System Framework Tier 2 (Standards and Procedures). This was developed in Oct 2020. This document has not been reviewed and updated since then. <p data-bbox="253 758 459 782">We recommend that:</p> <ul data-bbox="253 782 817 869" style="list-style-type: none"> • City Management review and update the relevant policies, policy statement and the system framework documents. • The policy documents should be subject to ongoing review and at least once every 2 years. <p data-bbox="253 893 369 917">Risk Rating</p> <p data-bbox="253 917 302 941">Low</p>	<p data-bbox="842 327 1064 351">Management Comment</p> <p data-bbox="842 351 1187 614">All the WHS framework documents have been updated. Tier 1 document was approved at the Audit and Risk Committee meeting on 9 March 2023. Tiers 2 & 3 were reviewed and approved at the Audit and Risk Committee meeting on 19 June 2023. Included in this documentation was the WHS Policy. This review and updates had many changes with a focus on the new WHS legislation.</p> <p data-bbox="842 630 1187 845">The next review is due to commence but the City is waiting on the finalisation of the new Workers Compensation and Injury Management legislation due to be implemented on 30 June 2024. Within this process, the City is awaiting advice from the City’s insurers and for Workcover to release their guidelines.</p> <p data-bbox="842 869 1041 893">Responsible Officer</p> <p data-bbox="842 893 963 917">Manager HR</p>	<p data-bbox="1209 327 1393 351">30 September 2024</p>	<p data-bbox="1415 327 1500 351">Ongoing</p> <p data-bbox="1415 375 1769 582">12 August 2024 – Manager Human Resources: In addition, the newly created Strategic WHS Committee are currently developing “Generic” guidelines for Hazard identification and City controls. On completion of this tasks, this information will be updated in the applicable Tier documentation.</p>	<p data-bbox="1792 327 1975 351">30 September 2024</p>



AUDIT LOG

Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
Australian Auditors – HR Incident Reporting Processes and Procedures				
<p>IA: 2024/06 (2.0) Monitoring against Reporting Timeframes</p> <p>Finding / Recommendation The Health Safety and Injury Management Advisor has the responsibility to ensure incidents are dealt with in a timely manner. However, there are no timeframes set for the actioning of incidents.</p> <p>Ageing analysis of the outstanding incidents at as 22 May 2024 showed that of the 27 incidents outstanding, 25 were outstanding for more than 30 days with 13 outstanding for more than 90 days. Refer to Appendix B for details.</p> <p>Our sample testing of 11 incidents identified the following:</p> <ul style="list-style-type: none"> • 2 incidents which were not reported within 24 hours of occurrence. • Of the 7 incidents that were closed, 5 incidents took more than a week for investigation to complete and Director to sign off. <p>We recommend that:</p> <ul style="list-style-type: none"> • Timeframes should be set for reporting of incidents, investigation, Manager review and Director sign off. • Performance against the timeframes should be monitored and reported where timeframes are not being complied with. <p>Useful information to report would include:</p> <ul style="list-style-type: none"> ○ Days to report incident by Department. ○ Days to complete investigation by Department. ○ Days to close incidents by Department. ○ Ageing of incidents by Department. <p>Risk Rating Low</p>	<p>Management Comment The City is currently working with the MyOSH system vendors to develop a timeframed workflow with follow-up reminders.</p> <p>HSIMA has been tasked to manually follow-up outstanding incidents to ensure accurate and meaningful data is captured and the outstanding incidents are closed out. This will be listed as a KPI for 24/25 for HSIMA.</p> <p>In addition, the HSIMA has been tasked to ensure that the City has well trained and knowledgeable MyOSH champions to assist with timeframes and accurate and meaningful data collection.</p> <p>Responsible Officer HSIMA</p>	<p>31 December 2024</p>	<p>Ongoing</p> <p>12 August 2024 – Manager Human Resources: The City has met with the City of Stirling’s Health and Safety team. The City of Stirling have been using MyOSH for many years and their system is mature in comparison to the City’s. At this meeting, City staff explored processes for timeframe workflows, reminders, training of staff and record keeping. This information will be used to further develop the MyOSH system.</p>	<p>31 December 2024</p>



AUDIT LOG

Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
Australian Auditors – HR Incident Reporting Processes and Procedures				
<p data-bbox="248 323 831 347">IA: 2024/06 (3.0) Data Capture in MyOSH system</p> <p data-bbox="248 371 831 395">Finding / Recommendation</p> <p data-bbox="248 395 831 467">The data captured in MyOSH system against the incidents are not complete or sufficiently adequate. Not all the fields required to be completed are completed by staff.</p> <p data-bbox="248 491 831 515">Sample testing of 11 incidents identified the following:</p> <ul data-bbox="248 515 831 730" style="list-style-type: none"> • 2 instances where dates were incorrectly entered. In these instances, the date of reporting was prior to date of occurrence of the incident. • Some of the fields in MyOSH were not completed for the incidents. • Quality of the root cause analysis was not considered satisfactory in some instances. • Corrective actions with responsibility and timeframe were not identified for 9 incidents. <p data-bbox="248 754 831 778">We recommend that:</p> <ul data-bbox="248 778 831 986" style="list-style-type: none"> • Health Safety and Injury Management Advisor review each incident to ensure quality of data captured in MyOSH is satisfactory and sign off. Any training required should also be identified and provided to staff. • Management should identify information that is mandatory for completion in MyOSH system and set up the system such that the system prevents from submitting the incident for review if all required mandatory information is not completed. <p data-bbox="248 1010 831 1034">Risk Rating</p> <p data-bbox="248 1034 831 1058">Medium</p>	<p data-bbox="831 323 1200 347">Management Comment</p> <p data-bbox="831 347 1200 563">The HSIMA has been tasked to ensure that the City has well trained and knowledgeable staff and to ensure that the data entered adheres to the approved documented process for recording / data input into the system. MyOSH champions to assist with timeframes, education and accurate and meaningful data collection.</p> <p data-bbox="831 587 1200 675">The City is currently working with the MyOSH system vendors to develop a timeframed workflow with follow-up reminders.</p> <p data-bbox="831 699 1200 842">HSIMA has been tasked to manually follow-up outstanding incidents to ensure accurate and meaningful data is captured and the outstanding incidents are closed out. This will be listed as a KPI for 24/25 for HSIMA.</p> <p data-bbox="831 866 1200 890">Responsible Officer</p> <p data-bbox="831 890 1200 914">HSIMA</p>	<p data-bbox="1200 323 1406 347">31 December 2024</p>	<p data-bbox="1406 323 1778 347">Ongoing</p> <p data-bbox="1406 371 1778 659">12 August 2024 – Manager Human Resources: The City has met with the City of Stirling’s Health and Safety team. The City of Stirling have been using MyOSH for many years and their system is mature in comparison to the City’s. At this meeting, City staff explored processes for timeframe workflows, reminders, training of staff and record keeping. This information will be used to further develop the MyOSH system.</p>	<p data-bbox="1778 323 1991 347">31 December 2024</p>



AUDIT LOG

Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
Australian Auditors – HR Incident Reporting Processes and Procedures				
<p>IA: 2024/06 (4.0) Corrective Action Items</p> <p>Finding / Recommendation Determining the corrective action for an incident is a decentralised process without any involvement by the Health Safety & Injury Management Advisor.</p> <p>There is no clear process to translate investigation recommendations to specific corrective actions and to ensure that these actions are documented, communicated, followed up, completed and reported against.</p> <p>During our sample testing of 11 incidents, we found that corrective actions, responsibility and action timeframe were not identified for 9 of these incidents.</p> <p>We recommend that:</p> <ul style="list-style-type: none"> • Corrective actions with responsibility and timeframes for completion should be identified for each incident. • The corrective action recommended by a Business Unit should also be reviewed and approved by the Health Safety & Injury Management Advisor. In reviewing the corrective actions, the Health Safety & Injury Management Advisor should determine if the corrective actions are appropriate, are applicable across the City and take action to implement this. Any training required should also be identified and provided to staff. • Corrective actions identified should be monitored and reported against by the Health Safety & Injury Management Advisor. <p>Risk Rating Medium</p>	<p>Management Comment The City has introduced a new Committee – WHS Strategic Committee who will sit between the Executive team and the WHS Committee to provide more of a strategical approach as opposed to an operational overview.</p> <p>This Committee will be tasked with the oversight of the Corrective Actions and review of WHS documentation. In addition, part of the corrective action process is to ensure that staff are well versed in root cause analysis. This may include further training and on occasions outsourcing of analysis, especially for a high risk incident.</p> <p>Responsible Officer HSIMA</p>	<p>30 September 2024</p>	<p>Ongoing</p> <p>12 August 2024 – Manager Human Resources: The newly formed Strategic WHS Committee have met (Twice) and are actively progressing the Corrective Action process and the development of the “Generic” guidelines for the hazards.</p>	<p>30 September 2024</p>



AUDIT LOG

Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
Australian Auditors – HR Incident Reporting Processes and Procedures				
<p>IA: 2024/06 (5.0) Key Performance Indicators (KPIs)</p> <p>Finding / Recommendation There are no specific key performance indicators (KPIs) set to measure the effectiveness of the incident reporting and management processes.</p> <p>Currently, several statistics are reported to the Executive Team, Work Health & Safety Committee and to the Audit and Risk Committee.</p> <p>Statistics provided include the number of incidents and injuries by Department and Directorate, status, event severity. However we are of the view that statistics alone is not adequate to measure the effectiveness of the incident reporting process and Work Safety and Health systems.</p> <p>For reporting to be useful and add value, they must be designed to provide information that is relevant to intended users and be measured against the City's established criteria.</p> <p>We recommend that:</p> <ul style="list-style-type: none"> • Meaningful KPIs should be developed and reported. KPIs may include: <ul style="list-style-type: none"> ○ targets set for reduction in number of incidents, number of injuries. ○ 12 month comparison of incident rate, injury rate, near misses reported. ○ Average time to close incidents over a 12 month period. ○ Average time to implement corrective actions over a 12 month period. <p>Risk Rating Medium</p>	<p>Management Comment The City is currently working with the MyOSH systems vendor to further develop and enhance the reporting process and data collation which will include monitoring and trending of information. This will then permit the measurement against established data and some meaningful KPIs for reporting.</p> <p>Responsible Officer Executive Team</p>	<p>31 December 2024</p>	<p>Ongoing</p> <p>12 August 2024 – Manager Human Resources: The City has met with the City of Stirling's Health and Safety team. The City of Stirling have been using MyOSH for many years and their system is mature in comparison to the City's. At this meeting, City staff explored processes for data collection and reporting, timeframe workflows, reminders, training of staff and record keeping. This information will be used to further develop the MyOSH system.</p>	<p>31 December 2024</p>



AUDIT LOG

Audit Details	Action & Approved Completion Date	Status	Proposed Completion Date
Australian Auditors – Recquatic Centre Safety Review			
IA: 2024/07 (1.0) Policies and Procedures			
<p>Finding / Recommendation</p> <p>There is a document Register in place which lists all the documented procedures, processes and work instructions applicable for the Kwinana Recquatic Centre. However, the register shows that a number of these policies, procedures and work instructions are out of date. For example, a Creche Handbook is in place covering all aspects of the Creche operations. However, this Handbook has not been updated since 2019.</p> <p>Further, we understand that Kwinana Recquatic Centre Management has instructed staff to leave together when the Centre closes at 9pm late at night and for the Duty Officer to accompany the staff to their car. However, this requirement has not been formally included in the Centre's policies or procedures and also not included in staff induction checklists.</p> <p>We recommend that:</p> <ul style="list-style-type: none"> • give consideration to reviewing all of its existing policies, practices and work instructions and ensure they are regularly reviewed at least every 2-3 year. • Ensure that staff instructions on leaving work late after hours be included in a formal work instruction to staff and also be included in the Centre's induction program. <p>Risk Rating Low</p>	<p>Management Comment</p> <ul style="list-style-type: none"> • Review of all existing policies, practices, and work instructions will be conducted in 24/25 FY, and all added to Promapp, this will become a Recquatic Leadership team KPI. <p>Completion date: 30 June 2025</p> <p>Responsible Officer Kwinana Recquatic Manager</p>	Ongoing	31 December 2024
	<p>Management Comment</p> <ul style="list-style-type: none"> • Staff instructions on leaving work for close shift or in dark will be formalised and included in both as a risk and in the Centre's induction checklist. <p>Completion date: 31 December 2024</p> <p>Responsible Officer Kwinana Recquatic Manager</p>	Ongoing	30 September 2024



AUDIT LOG

Audit Details	Action & Approved Completion Date	Status	Proposed Completion Date
Australian Auditors – Recquatic Centre Safety Review			
IA: 2024/07 (2.0) Process Improvements			
<p>Finding / Recommendation</p> <p>The Kwinana Recquatic Centre is considered highly risky to the City due to the level of activities that it provides to a variety of users and as such the City could be liable for injuries sustained within the Centre by patrons should the City not take all the necessary precautions to reduce risk of injury and/or take immediate action should an injury be sustained.</p> <p>The following matters should be considered to further improve existing safety matters at the Centre:</p> <p>Customer Experience</p> <ul style="list-style-type: none"> Except for casual gym users, there is no formal sign-in/sign-out process for other visitors to the Centre. Therefore, it is not known at any point in time who or how many people have entered the Centre or are in the Centre. We understand from the Centre Manager that the Centre could procure a People Counting software which can provide accurate real-time people traffic information within the Centre. We believe this would be valuable to the City and the Centre should there be an unforeseeable incident at the Centre and the Centre requires evacuation. There is a sign at the front entrance of the Centre which provides information on conditions of entry. However, the current sign does not include an indemnity clause such as patrons using the Centre's facilities at their own risk. We believe that adequate enter at own risk signage should be in place at the front entrance to ensure the City is protected in case a patron is injured while in the facility. <p>Fitness programs (Gym & Group Fitness)</p> <ul style="list-style-type: none"> There are 4 separate areas for the Fitness program which includes Cardio studio, functional training studio, a Gym and also a group fitness room. Although there are adequate CCTV in each room, there are no safety signs to warn patrons of the risks and also that they are using the equipment at their own risk. We believe that adequate use at own risk signage should be in place in these highly injury risk area to ensure the City is protected in case a patron is injured while using facility equipment. 	<p>Management Comment</p> <p>Customer Experience</p> <ul style="list-style-type: none"> At peak times, sign in and sign out for all patrons is not practical. People Counting Software can be introduced at relatively low cost. Proposal was sent last year, this will be updated and sent again for approval and implementation. Completion date: 30 June 2025 The sign at the front of the Centre does have condition number 1 as. Customers enter Kwinana Recquatic at their own risk. Safety is in place in main gym with large equipment, additional warning signs will be introduced in Cardio, functional and group fitness rooms. Completion date: 31 December 2024 <p>Responsible Officer Kwinana Recquatic Manager</p> <p>Management Comment</p> <p>Fitness programs (Gym & Group Fitness)</p> <ul style="list-style-type: none"> CCTV access for Fitness areas can be added to the Gym team computer. Personal duress alarms will be investigated for gym spaces and assessed depending on whether reasonably practical. Completion date: 31 December 2024 <p>Responsible Officer Kwinana Recquatic Manager</p> <p>Management Comment</p> <p>Sports & Programs</p> <ul style="list-style-type: none"> Additional "play at your own risk" signs will be installed in the indoor sports stadium. Completion date: 31 December 2024 <p>Responsible Officer Kwinana Recquatic Manager</p>	<p>Ongoing. May be people counting software available in current system. Investigating this with IT.</p> <p>Ongoing. Whilst there is signage, the wording of the risk warning is being reviewed to ensure its appropriateness.</p> <p>Ongoing.</p> <p>Ongoing.</p> <p>Ongoing. Signage will be installed at same time as Fitness spaces</p>	<p>30 June 2025</p> <p>31 December 2024</p> <p>31 December 2024</p> <p>31 October 2024</p> <p>31 December 2024</p>



AUDIT LOG

<p>• There is only 1 Gym instructor covering the 3 fitness areas being the Gym, Cardio and Functional training studios. These studios are at various levels of the Centre requiring the Gym Duty Supervisor to travel between the various studios to keep an eye on the patrons using the equipment. Although each of the studios has a CCTV, there is no CCTV display screens within the Gym Duty Supervisors office to enable the Gym Duty Supervisor to effectively monitor the activities in each of the three studios at any given point. Camera vision screens would allow the Gym duty Supervisor to monitor all 3 areas at the same time. Also, it would be beneficial to have an emergency alarm available in the studios for the users to press when needed in case of an emergency due to injury.</p> <p>Sports & Programs</p> <ul style="list-style-type: none"> • The sign displayed at the indoor sports stadium states "play at own risk". However, there is only 2 small signs covering the whole area. <p>Creche</p> <ul style="list-style-type: none"> • Creche policy states that the same parent signing in a child has to also sign out the child before the Child can leave the Creche area. Although we consider this is a sensible policy, there is no formal verification check to ensure the person who signed in a child is also the same person that signs the child out. At present such verification is only done through staff remembering and also getting to know the regular parents. To assist this and to minimise possible risk of a child being picked up by a non-parent or not by the same parent that signed in the child, the Creche should consider seeking some form of identification of the person signing out a child to confirm they are the actual child's parent. • There is no documented policy to exclude sick children in the Creche Handbook except that parents have a responsibility to notify Creche staff that a child is sick. We believe that in order to prevent the spread possible sickness to other Creche users that the Creche has a formal policy in place to deny a sick child from entering the Creche should that child impose a risk to other children and Creche staff. • We noted that there are no CCTV cameras or duress alarm in the Creche or even in the outside play area. This would be essential and would protect the City should a child be injured while in the Creche and the child's parent decides to take legal action against the City. 	<p>Management Comment</p> <p>Creche</p> <ul style="list-style-type: none"> • Risk assessment will be completed for this to identify the best reasonably practical outcome, checking identification every visit is not practical for known parents. Completion date: 31 December 2024 • A written procedure to exclude sick children from the Creche, based on the Creche Supervisor's assessment, will be implemented as part of the onboarding process to creche as part of term and conditions of use. Completion date: 30 June 2024 • This will be discussed with CoK building team, and if feasible CCTV and duress alarms will be installed in the Creche and outside play area. Completion date: 31 December 2024 <p>Responsible Officer Kwinana Recquatic Manager</p>	<p>Ongoing.</p> <p>Ongoing.</p> <p>Ongoing.</p>	<p>31 October 2024</p> <p>31 December 2024</p> <p>31 December 2024</p>
<p>Management Comment</p> <p>Risk Register</p> <ul style="list-style-type: none"> • The Recquatic Centre risk register will be updated with more specific controls and risk treatment to the centre. Completion date: 30 June 2024 • All Creche-related risks will be included in the Centre's risk register as a priority. Completion date: 31 December 2024 <p>Responsible Officer Kwinana Recquatic Manager</p>	<p>Management Comment</p> <p>Inductions</p> <ul style="list-style-type: none"> • All frontline staff role specific inductions and manuals are being completed in Q1 24/25. • Induction checklists and role-specific manuals are being developed for all frontline staff. These will cover 95% of what the Team Leaders will need to know for their team, as such, new team Leaders will receive a Recquatic general 	<p>Ongoing.</p> <p>Ongoing.</p>	<p>31 December 2024</p> <p>31 December 2024</p>
<p>Management Comment</p> <p>Inductions</p> <ul style="list-style-type: none"> • All frontline staff role specific inductions and manuals are being completed in Q1 24/25. • Induction checklists and role-specific manuals are being developed for all frontline staff. These will cover 95% of what the Team Leaders will need to know for their team, as such, new team Leaders will receive a Recquatic general 	<p>Ongoing. Currently revising and reviewing frontline staff role specific manuals to roll out Oct 24.</p> <p>Role specific manual not required for Team Leaders</p>	<p>Ongoing. Currently revising and reviewing frontline staff role specific manuals to roll out Oct 24.</p> <p>Role specific manual not required for Team Leaders</p>	<p>30 September 2024</p>



AUDIT LOG

<p><u>Risk Register</u></p> <ul style="list-style-type: none"> The Kwinana Recquatic Centre has a Risk Register which has identified safety relevant risks and the controls / risk treatments that are in place to mitigate these safety risk. However, we believe that the controls/risk treatment's recorded in the risk register does not adequately describe all of the controls/risk treatments that currently are in place and should be updated to reflect all of the safety controls and risk treatments that have been implemented and currently exist at the Centre. Creche related risks have not been identified and included in the Kwinana Recquatic Risk Register. Although Creche related risks have been included in the Community Facilities risk register, given that a Creche is also within the Kwinana Recquatic Centre, the risks should also be captured and managed in the Kwinana Recquatic Centre's risk register. <p><u>Inductions</u></p> <ul style="list-style-type: none"> Each Team Leader has developed Induction Checklist for their own team except for Gym & Group Fitness and Sports & Programs teams. Role Specific Manuals have been developed except for Team Leader & Sport Supervisor roles. <p>We recommend that the Kwinana Recquatic Manager:</p> <ul style="list-style-type: none"> Consider either introducing a formal sign in/sign out for all Centre visitors which may be impractical or investigate and implement a people counting system which can provide on time live data on all visitors entering and leaving the Centre. Consider upgrading the sign at the front of the Centre entrance to clearly state that visitors enter at own risk. Consider introducing safety warning signs in each of the Gym and Fitness rooms. Consider providing CCTV display screens withing the Gym Duty Supervisors office and install an emergency alarm buttons in the 3 Gym studios. Consider installing more play at your own risk signs in the indoor sports stadium. Consider introducing some form of parent verification checks to be implemented at the point a parent is picking up their child at the Creche. This could be in the form of providing their driver's license or each parent may be given an identification tag that can be presented when signing out their child. 	<p>induction as well as be run through their direct reports induction. An additional role specific manual is not deemed necessary for team Leaders.</p> <p>Completion date: 30 September 2024</p> <p>Responsible Officer Kwinana Recquatic Manager</p>		
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AUDIT LOG

<ul style="list-style-type: none"> • Consider implementing a formal policy to exclude sick children from the Creche where it is the opinion of the Creche Supervisor that the child poses a risk to other children and staff. • Consider installing CCTV and duress alarms in the Creche and outside play area. • Consider updating the Recquatic Centre risk register to acknowledge all of the safety and risk prevention processes that are in place. This will then allow these safety and risk prevention processes to be subject to continual review to ensure safety and risk mitigation processes are continually being effective. • Consider including all Creche related risk in the Centre's risk register as a matter of priority. • Consider and give priority to ensuring that induction checklists and role specific manuals are developed for all team leaders. <p>Risk Rating Medium</p>			
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AUDIT LOG

Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
Australian Auditors – Essential Services: Parking Infringements and Pet Registration				
<p>IA: 2024/07 (1.0) Parking Infringements Procedures Manual</p> <p>Finding / Recommendation The current procedures manual only covers work instructions for the issuing of an infringement and evidence gathering. It would be beneficial if the procedures document also covers the following:</p> <ul style="list-style-type: none"> Voiding / cancelling of the infringements. Follow up procedures including timeframes for the outstanding infringement notices. Referring to Fines and Enforcement Registry. Appeal, review and withdrawal approval process. Legal action process. Tasks performed by the Administration Officer. Monitoring controls to be employed such as review of withdrawals and cancellations processed in the system, review of outstanding infringement reports etc. <p>We recommend that:</p> <ul style="list-style-type: none"> Management develops procedures / work instructions that covers the process for voiding infringements, follow up procedures, referring to FER, legal action process, tasks performed by the Administration Officer and monitoring controls. <p>Risk Rating Low</p>	<p>Management Comment Limitations with Authority have prevented some of these items being developed. OneCouncil is expected to improve reporting capability.</p> <p>Accept recommendations and will proceed to develop and implement proposed improvements relating to voiding, follow up, legal action and monitoring controls.</p> <p>Responsible Officer Manager Essential Services</p>	<p>ASAP</p>	<p>Task 1 Procedure – Voiding and Infringement Notice (<i>Local Government Act 1995</i>) – Completed. Procedure drafted, communicated to Essential Services officers and implemented</p> <p>Task 2 Procedure – Managing Outstanding Infringement Notices – NOT STARTED - awaiting return of ESAO to proceed</p> <p>Task 3 Procedure – Referring Infringement Notices to FER – NOT STARTED - awaiting return of ESAO to proceed</p> <p>Task 4 Procedure – Appeal/Review/Withdraw Infringement Notices – Procedure drafted, awaiting implementation</p> <p>Task 5 Procedure – Have Infringement Notice Heard in Court (legal action process) – Procedure drafting commenced</p> <p>Task 6 Procedure – Administration Officer Infringement Notice Tasks – NOT STARTED - awaiting return of ESAO to proceed</p> <p>Task 7 Develop Monitoring Controls – Voiding/Withdrawal/Cancellation – NOT STARTED</p>	<p>Completed.</p> <p>31 October 2024</p> <p>30 September 2024</p> <p>30 September 2024</p> <p>30 September 2024</p> <p>30 September 2024</p> <p>31 October 2024</p> <p>30 November 2024</p>



AUDIT LOG

Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
Australian Auditors – Essential Services: Parking Infringements and Pet Registration				
<p data-bbox="248 347 831 395">IA: 2024/07 (2.0) Policy / Protocol on Approving Withdrawal of Infringements</p> <p data-bbox="248 419 831 443">Finding / Recommendation</p> <p data-bbox="248 443 831 491">There is currently no documented policy or protocol outlining circumstances where an infringement may be withdrawn.</p> <p data-bbox="248 515 831 611">On appeal by the parking offender, an infringement notice may be reviewed and withdrawn by the Manager Essential Services. There are no set criteria applied, it is assessed on a case by case basis.</p> <p data-bbox="248 635 831 659">We recommend that:</p> <ul data-bbox="248 659 831 898" style="list-style-type: none"> • Management should develop a policy or protocol which outlines the circumstances where an infringement may be withdrawn. These may include but not limited to for example: <ul data-bbox="293 730 831 818" style="list-style-type: none"> ○ A broken-down vehicle emergency ○ A car accident emergency ○ A hospital emergency ○ The vehicle was stolen • Management should also consider incorporating within the policy circumstances under which the infringement may not be withdrawn. <p data-bbox="248 922 831 962">Risk Rating Low</p>	<p data-bbox="831 347 1200 371">Management Comment</p> <p data-bbox="831 371 1200 539">Accept recommendations and will proceed to develop and implement proposed improvements relating to a policy for approval of infringement withdrawals that provides structure around what defines an approval and refusal.</p> <p data-bbox="831 563 1200 611">Responsible Officer Manager Essential Services</p>	<p data-bbox="1200 347 1406 371">ASAP</p>	<p data-bbox="1406 347 1783 451">Task 8 Develop Infringement Withdrawal Policy – Procedure drafting commenced</p>	<p data-bbox="1783 347 1991 371">30 September 2024</p>



AUDIT LOG

Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
Australian Auditors – Essential Services: Parking Infringements and Pet Registration				
<p>IA: 2024/07 (3.0) Voided / Cancelled Infringements</p> <p>Finding / Recommendation There is no register maintained of the voided / cancelled infringements. The voided / cancelled infringements are not recorded in Authority. The parking officers can cancel / void an infringement notice before it is issued if they become aware of any errors from their part.</p> <p>The Administration Officer records in Authority the date when the Parking Book is issued, however, there is no recording of when the book is returned. The Administration Officer stated that when the books are returned, she checks for missing infringements. However, there is no evidence of review and monitoring of the missing infringements to ensure there are valid reasons for voiding / cancelling the infringements.</p> <p>Review of infringements issued during a 12-month period identified the following missing infringements numbers: 52093, 52094, 52095, 52099, 52510, 53255, 53506, 53258, 53259, 53279, 53406, 53425</p> <p>We recommend that:</p> <ul style="list-style-type: none"> • Management should capture all infringements (including voided /cancelled) in Authority. • The parking officers should not be able to cancel / void an infringement without prior approval from the Manager Essential Services. • Once approved, the Admin Officer should void / cancel the infringement in the system noting the reason. • We understand that with the implementation of the OneCouncil system, the manual parking books will not be in use, therefore no recommendation is made with regard to recording the date of return of the books in Authority. <p>Risk Rating Low</p>	<p>Management Comment Accept recommendations and will proceed to develop and implement proposed improvements relating to the recording of voided, non-issued infringements.</p> <p>Responsible Officer Manager Essential Services</p>	<p>ASAP</p>	<p>Task 9 Procedure - Voiding and Infringement Notice (<i>Local Government Act 1995</i>) – Procedure drafted, communicated to Essential Services officers and implemented – See Task 1</p>	<p>Completed 14/8/24</p>



AUDIT LOG

Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
Australian Auditors – Essential Services: Parking Infringements and Pet Registration				
<p>IA: 2024/07 (4.0) Monitoring of Withdrawals</p> <p>Finding / Recommendation There are currently no monitoring controls in place to ensure:</p> <ul style="list-style-type: none"> Withdrawals of infringements processed in the system are only those that have been approved by the delegated officer. <p>The report provided of the withdrawals processed for a period of 12 month, showed that there were only 11 infringements that were withdrawn with a value of \$1,205.</p> <ul style="list-style-type: none"> Follow ups actions are undertaken in a timely manner. Voided / cancelled infringements are for valid reasons. At the moment, the voided / cancelled infringements are not captured anywhere, so this monitoring is not possible. <p>We recommend that management should:</p> <ul style="list-style-type: none"> On a regular basis, produce a report from the Infringement module showing all the infringement withdrawals processed in the infringement system. The report should be verified against the approvals by the delegated officer to ensure proper process and justification for withdrawal was met and warranted. Produce a report on the voided /cancelled infringements to ensure these are not excessive and are authorised. Produce an aged report on the outstanding infringements and ensure appropriate follow up actions are taken in a timely manner. <p>The monitoring control should be undertaken by an officer who does not have access to the Infringement system.</p> <p>Risk Rating Low</p>	<p>Management Comment Aged reports are currently able to be produced. A process will be developed to ensure that aged reports are reconciled with FER records on an accepted frequency to improve assurance.</p> <p>Accept recommendations and will proceed to develop and implement proposed improvements relating to Monitoring of Infringement Withdrawals, Voided Infringements and Aged Infringements reports.</p> <p>Responsible Officer Manager Essential Services</p>	<p>ASAP</p>	<p>Task 10/14 Report – Infringement Notice Withdrawals – Report template prepared, 1st report due to be issued 6/09/2024</p> <p>Task 11/14 Report – Voided Infringement Notices – Report template prepared, 1st report due to be issued 6/09/2024</p> <p>Task 12/14 Report – Aged Infringement Notices – NOT STARTED - awaiting return of ESAO to proceed</p>	<p>6 September 2024</p> <p>6 September 2024</p> <p>30 November 2024</p>



AUDIT LOG

Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
Australian Auditors – Essential Services: Parking Infringements and Pet Registration				
IA: 2024/07 (5.0) Training of Parking Officers				
Finding / Recommendation	Management Comment	ASAP	Task 13/14	31 December 2024
There is currently no structured, formalised and documented training plan for the parking officers.	Accept recommendations and will proceed to develop and implement proposed improvements relating to formalised parking officer training and related records..		Training Program – Parking Officers – Program drafting commenced	
We recommend that:	Responsible Officer		Task 14/14	31 December 2024
<ul style="list-style-type: none"> • A more formalised training plan should be developed for the parking officers. • Training records should be maintained. 	Manager Essential Services		Training Register – Parking Officers - NOT STARTED – contents of register will depend on contents of Training Program	
Risk Rating				
Low				



AUDIT LOG

ITEMS OUTSTANDING FROM PRIOR AUDITS

Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
Australian Auditors – Regulation 17 Review				
<p>EA: 2023/12 (3) Payroll</p> <p>Finding Based on my discussions with the City's payroll officer, I believe that adequate control processes are in place over the City's payroll process. However, there is currently no formal written policies and procedures in place to ensure that the payroll process continues to be followed on a consistent basis.</p> <p>Recommendation The City ensure that formal payroll related policies and procedures are developed as a matter of priority.</p> <p>Risk Rating Minor (Low)</p>	<p>Management Comment The City understands the importance of robust payroll-related policies and procedures. A checklist/guide has been developed that details all parts/steps of the payroll process and this is adhered to when processing the payroll. The City recognises the requirement to develop its processes and measures have been put in place to provide additional resources to permit this to occur.</p> <p>Responsible Officer Manager Human Resources</p>		<p>23 January 2024 Manager Human Resources: Ongoing</p> <p>On 8 January 2024, an additional resource commenced in the City's Payroll team. The current checklist/guides and processes have been reviewed and assessed for currency and the further development of formal written procedures has commenced.</p> <p>25 March 2024 – Manager Human Resources: With the additional resource, preparation of process instructions has commenced with detailed screen shots forming part of the instructions. Still on track.</p> <p>HR are currently working with IT to secure a new software licence to improve processes.</p> <p>12 August 2024 – Manager Human Resources: The payroll resource now has the new licence for the software package to further develop the processes. Still on track – each pay run is aligned to an extensive checklist for consistency and verification.</p>	<p>30 April 2024</p> <p>30 June 2024</p> <p>30 September 2024</p>



AUDIT LOG

Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date															
RSM – 2022/23 Final Financial Audit																			
EA: 2023 (2) Long Service Leave and Annual Leave Reconciliation																			
<p>Finding During our audit of the employee leave provision balances, we noted differences between the Tech One system leave balances and the Annual and Long Service Leave schedule which is used in the determination of the leave provision balances recognised in the financial statements. The identified differences in both hours and resultant impact on the leave provisions were as follows as at 30 June 2023:</p> <table border="1" data-bbox="271 539 934 743"> <thead> <tr> <th>Category</th> <th>Tech One balance (Hours)</th> <th>AL and LSL Schedule (Hours)</th> <th>Difference (Hours)</th> <th>Resultant Difference (\$)</th> </tr> </thead> <tbody> <tr> <td>Annual Leave</td> <td>29,216</td> <td>29,043</td> <td>(173)</td> <td>(3,567)</td> </tr> <tr> <td>Long Service</td> <td>54,367</td> <td>59,827</td> <td>5,460</td> <td>265,649</td> </tr> </tbody> </table> <p>We understand from management that the differences are mainly due (but not limited) to the following factors:</p> <ul style="list-style-type: none"> At the time of migration from Authority to Techone, the Long Service Leave entitlement for some of the employees had not been updated and reconciled in TechOne, however had been correctly provided for in the manual Annual and Long Service Leave schedule; Casual Long Service Leave has to be validated in TechOne regarding their eligibility. This was accrued for in TechOne but not allowed for in the manual schedule; and Long Service Leave owing by other Councils in relation to some of the new employees (who joined the City from other Councils) have not been captured in TechOne however been captured in the manual Annual and Long Service Leave schedule. <p>The resulting difference has been included in the schedule of uncorrected misstatements included in the management representation letter.</p> <p>Recommendation We recommend that the City investigate the reasons for the difference between TechOne and the leave schedules and ensure a full reconciliation is performed on a regular basis. Any arising reconciling items should be validated and adjusted as required.</p> <p>Risk Rating</p>	Category	Tech One balance (Hours)	AL and LSL Schedule (Hours)	Difference (Hours)	Resultant Difference (\$)	Annual Leave	29,216	29,043	(173)	(3,567)	Long Service	54,367	59,827	5,460	265,649	<p>Management Comment Agree. Payroll has now sourced additional resources to undertake and assist with the appropriate reconciliations.</p> <p>Responsible Officer Chief Financial Officer Manager Human Resources</p>	<p>30 June 2024</p>	<p>25 March 2024 – Manager Human Resources: The Payroll Coordinator has been auditing all the LSL entitlements (particularly the part-time and casual status employees. These calculations are two thirds completed and will provide information as per the differences.). On initial review/assessment, it would appear that the some of the information (pro-rata) in Authority was not accurately recorded when a part-time or casual employee commenced at the City and follow-up is being undertaken. It should be noted, that prior to any payment of LSL entitlement (either Authority or TechOne), an independent calculation was validated before any payment ensuring accuracy of these payments. In addition, the Payroll team have been following up with other LGs to ensure that the appropriate LSL invoicing is up to date – currently up to date.</p> <p>14 May 2024 – Manager Human Resources: The reconciliation calculations have been completed. The OneCouncil configuration will need to be changed and the Payroll Coordinator is working with TechOne regarding the required amendments. In addition, the DLGSC have just released the new LSL regulations due to come into effect on 1 September 2024.</p>	<p>30 June 2024 30 September 2024</p>
Category	Tech One balance (Hours)	AL and LSL Schedule (Hours)	Difference (Hours)	Resultant Difference (\$)															
Annual Leave	29,216	29,043	(173)	(3,567)															
Long Service	54,367	59,827	5,460	265,649															



AUDIT LOG

Moderate (Medium)			<p>Payroll are now having to align the new regulations with the current configuration. DLGSC have been providing information sessions as to the required amendments.</p> <p>12 August 2024 – Manager Human Resources: The Dept. has released a new set of LSL regs and the City are currently re-configuring the system to support the many amendments in readiness for the implementation date of 1 September 2024. As part of this, the Leave Management policy is being reviewed to assist with management of excessive leave.</p>	
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AUDIT LOG

Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date															
Macri Partners – Financial Management Review																			
EA: 2023/06 (4.2(iii)) Investment of Surplus Funds																			
<p>Finding The City's investment policy (D12/63257/v5) requires that investments be spread within a credit rating to ensure that single entity exposure is limited as detailed below.</p> <table border="1" data-bbox="255 467 817 770"> <thead> <tr> <th>S&P Long Term Rating</th> <th>S&P Short Term Rating</th> <th>Direct Investment Maximum for Category</th> </tr> </thead> <tbody> <tr> <td>AAA and Bendigo Bank Kwinana Community Branch</td> <td>A-1+ and Bendigo Bank Kwinana Community Branch</td> <td>45%</td> </tr> <tr> <td>AA</td> <td>A-1+</td> <td>45%</td> </tr> <tr> <td>A</td> <td>A-1</td> <td>23%</td> </tr> <tr> <td>BBB</td> <td>A-2</td> <td>10%</td> </tr> </tbody> </table> <p>Our examination of the investment portfolio as at 30 June 2023 revealed that the investment in Bendigo Bank is 100% of the total investment in the AAA and Bendigo Bank credit rating category and the investment in National Australia Bank in the AA credit rating category is 69% and the investment in the Suncorp Bank in the A credit rating category is 100%.</p> <p>We understand that the intent of the City is to monitor single entity investment in comparison to the total portfolio of investments.</p> <p>Recommendation The City should review the investment policy and update it in order to fall in line with the expectations of the City.</p> <p>Risk Rating Minor (Low)</p>	S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum for Category	AAA and Bendigo Bank Kwinana Community Branch	A-1+ and Bendigo Bank Kwinana Community Branch	45%	AA	A-1+	45%	A	A-1	23%	BBB	A-2	10%	<p>Management Comment The intent of the policy is to monitor single entity investment in comparison to the total portfolio of investments. This however, is not very clearly articulated in the current policy and will need to be updated accordingly.</p> <p>Responsible Officer Chief Financial Officer</p>	<p>31 December 2023</p>	<p>1 November 2023 – Coordinator Finance: The review of the investment policy has commenced.</p> <p>1 February 2024 – Coordinator Finance: The review of the investment policy is expected to be completed by the end of the month.</p> <p>25 March 2024 – Coordinator Finance: The draft Investment Policy has been changed to ensure the requirement for maximum percentages are clarified. We have utilised the opportunity to update the policy to increase its focus on Green investment (non-fossil fuel investments) including setting a target for this investment. This is scheduled to go to Executive leadership Team for reviewing in April and thereafter to Council.</p> <p>14 May 2024 – Coordinator Finance: The draft Investment Policy is ready will go to the Executive Leadership team for reviewing in May, with view to it going to Council via the Audit and Risk Committee and OCM in June.</p> <p>20 August 2024 – Coordinator Finance: The Investment Policy will be presented at the September Audit and Risk Committee and will include updates as requested at the previous ARC meeting.</p>	<p>31 January 2024 29 February 2024 30 June 2024 30 September 2024</p>
S&P Long Term Rating	S&P Short Term Rating	Direct Investment Maximum for Category																	
AAA and Bendigo Bank Kwinana Community Branch	A-1+ and Bendigo Bank Kwinana Community Branch	45%																	
AA	A-1+	45%																	
A	A-1	23%																	
BBB	A-2	10%																	



AUDIT LOG

Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
Macri Partners – Financial Management Review				
<p>EA: 2023/06 (4.6(i)) Payroll</p> <p>Finding We noted that amendments to payroll Masterfile (other than changes to banking details) are not reviewed by an officer independent of the officer/s who have access to payroll Masterfile.</p> <p>Recommendation Management should review all amendments to payroll Masterfile on a periodic basis and ensure all amendments are genuine and correct. Evidence of review should be documented and retained.</p> <p>Risk Rating Moderate (Medium)</p>	<p>Management Comment A Masterfile report is being sourced for the HR manager to sign off Noting, the current "shipped" report in OneCouncil is not adequate/workable and a custom report is being sourced through the City's systems administration provider "Attura". This work has been scheduled to be completed within the next 3 months.</p> <p>Responsible Officer Payroll and System Coordinator</p>	<p>31 December 2023</p>	<p>1 November 2023 - Payroll and Systems Coordinator: The City's administration provider "Attura" is currently looking at the development of a report. The work is on-going.</p> <p>23 January 2024 – Payroll and Systems Coordinator: The City is yet to receive a draft report as per the requested scope of works. Follow-up with the administration provider "Attura" has been instigated.</p> <p>25 March 2024 - Payroll and System Coordinator: Still awaiting scope of works from Attura.</p> <p>2 April 2024 – Payroll and Systems Coordinator: Attura has provided a copy of their standard "shipped" report. This template has been assessed and is not suitable for the City's purposes. Since receiving this information, the Payroll Coordinator has been developing a custom report which will be trialled and developed over several pay runs. The first trial is due on 3 April 2024.</p> <p>14 May 2024 – Manager Human Resources: Payroll coordinator has developed a report - to be trialled in the payrun 15 May 2024.</p> <p>12 August 2024 – Manager Human Resources: The newly developed report has been implemented and is being utilised when</p>	<p>31 December 2023 29 February 2024 30 May 2024 Complete</p>

AUDIT LOG



			"calling" every pay run. This is working well.	
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AUDIT LOG

Audit Details	Action	Approved Completion Date	Status	Proposed Completion Date
Macri Partners – Financial Management Review				
<p>EA: 2023/06 (4.6(v)) Payroll</p> <p>Finding During our testing of the long services records it was noted that when transitioning from the Authority system to the OneCouncil system, prorated long service leave balances at the end of the last financial year have not been brought forward to the 2022/23 financial year.</p> <p>Recommendation The management should carry out a detailed investigation of the brought forward long service balances from the Authority system to the OneCouncil system and rectify the errors in order to ensure the year end long service liability is accurate.</p> <p>Risk Rating Moderate (Medium)</p>	<p>Management Comment The Authority System does not have the capability to provide the pro rata balances between the anniversary date of the employee and the date of migration 26/06/2023. We have identified this issue and a manual calculation is required. This will be rectified in the coming months.</p> <p>Responsible Officer Payroll and Systems Coordinator</p>	<p>31 December 2023</p>	<p>1 November 2023 – Payroll and Systems Coordinator: Manual Calculation for part-time/casual employees has commenced. The process/calculation will continue to be progressed over the next couple of months.</p> <p>23 January 2024 – Payroll and Systems Coordinator: This action is on-going and is progressing. Additional resourcing in the Payroll team has provided extra capacity and capability to achieve this task.</p> <p>25 March 2024 – Payroll and Systems Coordinator: Manual calculations still progressing (as per outstanding action EA: 2023 (2) Long Service Leave and Annual Leave Reconciliation).</p> <p>25 March 2024 – Manager Human Resources: The reconciliation calculations have been completed. The OneCouncil configuration will need to be changed and the Payroll Coordinator is working with TechOne regarding the required amendments. In addition, the DLGSC have just released the new LSL regulations due to come into effect on 1 September 2024. Payroll are now having to align the new regulations with the current configuration. DLGSC have been providing information sessions as to the required amendments.</p> <p>12 August 2024 – Manager Human Resources:</p>	<p>29 February 2024</p> <p>30 June 2024</p> <p>30 September 2024</p>

AUDIT LOG



			This is progressing well and on-track for 1 September 2024.	
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8.3 WORK HEALTH AND SAFETY (WHS) STATISTICAL REPORT - 30 SEPTEMBER 2024

SUMMARY

Council has endorsed a Health and Safety Policy to meet its moral and legal obligation to provide a safe and healthy work environment for all employees, contractors, customers, and visitors. This commitment extends to ensuring the City's operations do not place the community at risk of injury, illness, or property damage. At the Audit and Risk Committee meeting dated 10 June 2024, the City presented the recently reviewed and updated Safety and Wellbeing Strategic Plan 2024-2026 designed to provide an overview and monitoring of the identified strategic safety and wellbeing actions linking the framework and operational processes. The Strategic Work Health and Safety (WHS) Committee has commenced the implementation of tasks for this plan and its progress continues to be monitored by the Executive Leadership Team. The updated plan is enclosed as Attachment A.

It is usual practice to provide a report detailing statistical data at each Audit and Risk Committee meeting. The report is enclosed as Attachment B.

In June 2024, the City engaged Australian Audit to undertake a review of the Workplace Health and Safety incident reporting processes and procedures. The report is enclosed as Attachment C.

OFFICER RECOMMENDATION

That the Audit and Risk Committee:

- 1. Note and provide comment where appropriate on the City of Kwinana Safety and Wellbeing Strategic Plan 2024 – 2026 detailed in Attachment A.**
- 2. Note and provide comment where appropriate on the City of Kwinana WHS Statistical data report detailed in Attachment B.**

Note and provide comment where appropriate on the Internal Audit report on Incident Reporting Processes and Procedures detailed in Attachment C.

VOTING REQUIREMENT

Simple majority.

DISCUSSION

Safety and Wellbeing Strategic Plan 2024 – 2026

This strategic plan has been created to provide visibility across the City to ensure the delivery on its moral and legal obligations within the health and safety environment. The reviewed strategic plan lists five safety and wellbeing priorities and describes the strategic outcomes to be achieved, the key performance measures and the progress of delivery. The inclusion of the traffic light system is incorporated to enhance the visual representation of progress of the plan. The strategic plan has gone through to the Strategic Work Health and Safety (WHS) Committee who have progressed the implementation of tasks for this plan and its advancement continues to be monitored by the Executive Leadership Team.

Summary of Statistical Data:

At the Audit and Risk Committee meeting of 19 February 2024, a request was received from the Committee for enhanced statistical data reporting. This request is being progressed through the provider of the software system (MyOSH) to customise the data reporting function. The City is currently working with the provider to undertake the request and will provide updated information when this becomes available.

Whilst it is not yet possible to produce the updated statistical data report, the previous format of data reporting has been prepared for the period from 11 May 2024 to 29 August 2024. A summary of the incidents recorded over the period is as follows.

A summary of the incidents recorded over the quarter is as follows. A total of twenty-three incidents have been recorded during the nearly three-month period. Thirteen from the City Life directorate, seven from the City Infrastructure directorate, two from City Development and Sustainability directorate and one reported from the Office of the CEO. Ten incidents were recorded as injuries, four incidents were recorded as a near miss, three recorded as a vehicle incident, one recorded as equipment, one recorded as other and four incidents were classified as Inappropriate Behaviour/Violence.

Further categorisation of the twenty-three incidents determined that the event severity of the actual incident category, that is prior to any identified mitigating actions, were as follows: one being identified as a high rating, eight were identified as a medium rating and fourteen as a low rating. The statistical graphs are included in Attachment B.

Internal Audit Report – Incident Reporting Processes and Procedures:

The City has undertaken an internal audit, by a third-party auditor, Australian Audit, on its Incident Reporting processes and procedures. Based on the findings it was concluded that, overall, although satisfactory management processes and controls exist, there were several process improvements opportunities. The following key issues were reported for management action: monitoring against reporting timeframes; data capture in the MyOSH system; corrective action items; and key performance indicators. It should be noted that no high-risk control matters were identified.

The City's Strategic Work Health and Safety (WHS) Committee are currently progressing the recommendations from the report and have actively sought assistance from another Local Government, who have a very mature MyOSH system, to establish if there are opportunities or customisations of the software system available which will address the audit findings. Following the advice from the other Local Government, significant advancements have been made, including closing out of open incidents, reconfiguration of the workflows in the system, updating all incidents recorded in the system with corrective actions (noting, that it was identified the incorrect field was being used in the system) and implementation of a new training program for users of the system.

In addition, the City has confirmed that the five-day audit of the City's safety framework against the WorkSafe Audit plan will be facilitated by the City's Insurers LGIS. This audit is now scheduled for February 2025, as the City was recently notified that no audits will be undertaken from November 2024 to January 2025. Part of this audit will be to assess the implementation of the management actions identified at the internal audit.

STRATEGIC IMPLICATIONS

There are no strategic implications as a result of this proposal.

SOCIAL IMPLICATIONS

There are no social implications as a result of this proposal.

LEGAL/POLICY IMPLICATIONS

Regulation 17 of the Local Government (Audit) Regulations 1996 provides:

17. CEO to review certain systems and procedures
- (1) *The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —*
 - (a) *risk management; and*
 - (b) *internal control; and*
 - (c) *legislative compliance.*
 - (2) *The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.*
 - (3) *The CEO is to report to the audit committee the results of that review.*

FINANCIAL/BUDGET IMPLICATIONS

There are no financial implications that have been identified as a result of this report or recommendation.

ASSET MANAGEMENT IMPLICATIONS

No asset management implications have been identified as a result of this report or recommendation.

ENVIRONMENTAL/PUBLIC HEALTH IMPLICATIONS

No environmental or public health implications have been identified as a result of this report or recommendation.

COMMUNITY ENGAGEMENT

There are no community engagement implications as a result of this report or recommendation.

ATTACHMENTS

- A. **ATTACHMENT A - City of Kwinana Safety and Welbeing Strategic Plan 2024-2026 - Updated August 2024** [↓](#)
- B. **ATTACHMENT B - WHS Statistical Data Report - Audit and Risk Committee - 11 May 2024 - 30 August 2024** [↓](#)
- C. **ATTACHMENT C - Audit Report - Australian Audit - WHS - Incident Reporting Processes and Procedures - Final Report** [↓](#)

City of Kwinana Safety and Wellbeing Strategic Plan 2024 – 2026

Progress Key	
	Not started 0%
	In progress
	Complete 100%

Priorities	Strategic outcomes	Key Performance measures	Key stakeholders	Progress status			Action Plan	Comments	Due Date
				2024	2025	2026			
1. Health and Safety by design Hazards are eliminated or minimised at the design stage of projects	1.1 Safety in Design (SiD) principles for assets (buildings, plant, refurbished facilities etc) are applied in collaboration with WHS representatives and relevant stakeholders, including those directly affected	<ul style="list-style-type: none"> Reduction in hazards and incidents reported relating to project design and asset use 	Ann Nicholas, Doug Elkins, Patrick Rose, David Boccuzzi	In Progress			<ul style="list-style-type: none"> Review the documented plant procurement processes (ensuring SID processes are identified). Review building design contracts (building designer and architect) to determine whether the inclusion of SID is effective. Review building construction tenders to determine whether the SID report has the requirement for the builder to identify construction hazards and this is effective. Determine whether the building construction tenders minimum three-week response time to allow for SID assessment is sufficient. Review the effectiveness of building construction tender assessments to include assessment of builder's response to SID, hazard identification and construction methodology. 	<p>Through the procurement process of acquiring new plant, a Risk assessment is required with their submission via the tender process. For specialised equipment, an assessment is completed with the relevant stakeholders to review the plant and ensure it meets our safety requirements. Andrew 27/03/24 – Complete Andrew – 23/08/24</p> <p>Point 2. Building design specifications include the requirement for an SID to accompany the plans. Complete</p> <p>Point 3 & 5. Building construction tenders will include a component for the Tenderer to address the Design SID and identified issues, and to provide their own report/comments to identify any perceived hazards relating to the design. To be reviewed as part of assessment process. 13/5/24 in progress Ann N. Complete 20/8/24</p> <p>Point 4. Minimum 4-5 week response time for large construction projects to address SID. Complete Ann N.</p>	1 March 2025
									31 May 2024
									31 May 2024

	1.2 Hazard management principles are applied in workplace and City facilities	<ul style="list-style-type: none"> Reduction in hazards and incidents 	Departmental Managers/Coordinators, Doug Elkins	In Progress			<ul style="list-style-type: none"> Conduct an audit on plant risk assessments including design/amendment on drawings and also on delivery of plant. Ensure that all risk assessments have been undertaken and that they are effective. 	Plant risk assessments are undertaken on all new items of plant, with all relevant stakeholders; including workshop, supervisors and operators. This also includes completing a Plant Risk Assessment – design assessment during the procurement stage. D24/15698 Andrew – 27/03/2024 The safety in design process is still currently being followed and document for all major plant purchases. Refer document D24/15698. David B - Complete 23/08/24	1 March 2025
				In Progress			<ul style="list-style-type: none"> Managers/Coordinators to continue to identify and document hazards and document plan to eliminate risk. Provide training to SMT as to the Categorisation of Common Hazards for reference for departmental hazard register. Develop the hazard module in MyOSH, to include the identified Common Hazards. 	A departmental hazard register has been rolled out for employee to identify and report hazards. The currency of the register is a management action in the Staff Development Reviews. HSIMA to meet with all relevant Department Managers to review progress of the register.	30 June 2024
				In Progress			<ul style="list-style-type: none"> All staff to continue to be responsible for identifying and appropriately recording strategic and operational risks within Camms Risk, in accordance with the City's risk management strategy and risk management policy. An audit by the Governance team to review if department/areas are proactively reviewing the CAMMS risk register. Input the associated risk into the CAMMS risk register for identified categories of common/generic hazards. 	This is an ongoing activity.	31 December 2024

2. Health and Safety leadership & capabilities Individuals have the work health and safety capabilities they require	1.3 Hazard management principles are applied at the project construction planning stage to mitigate risk of injury, long-term ill effects or recurrence of injury	<ul style="list-style-type: none"> Integration in to project safe work plan 	Ann Nicholas, Doug Elkins, Patrick Rose	Complete			<ul style="list-style-type: none"> Review construction tender assessments to determine the effectiveness of the assessment of builder's response to SID, hazard identification and construction methodology. 	<p style="color: red;">Included in Wellard West tender documentation as the first contract to have this criteria. Builders were asked to respond to the architects SID, hazard identification and construction methodology.</p> <p style="color: red;">This will be an ongoing requirement for building construction projects. Ann Nicholas 20/8/2024</p>	1 February 2025
				Not Started			<ul style="list-style-type: none"> Investigate, develop, and implement a process for City managed projects to include a Site Safety Management Plan (where required by Regs) to be documented in project tracking meeting. Consideration will need to be given to using the new Corporate Business System. 	Training to be undertaken for staff who may need to develop a Site Safety Management Plan – Steve Brown to assist. Tender and RFQ Templates were updated to capture a Specification Checklist to include information regarding SID. This is to be reviewed for information pertaining to Site Safety Management Plans.	31 December 2024
	2.1 WHS framework and policies are embedded and reviewed to enhance WHS capabilities of the organisation	<ul style="list-style-type: none"> Framework reviewed annually. Training program available 	Sue Wiltshire, Gary Kay	Completed			<ul style="list-style-type: none"> Develop annual training plan – for example, Manual handling, how to do a risk assessment? 	February 24 – 24/25 Budget preparations include allocation of appropriate funding for applicable training. Development of the annual training plan has commenced. Plan to be finalised after TNA of information submitted in the 23/24 SDR process. This is an ongoing action with plan being developed annually. <p style="color: red;">20 August 2024 – The annual training plan has been finalised (inclusive of training required for Safety and Wellbeing), dates and providers have been scheduled for the 2024/25 period. (Noting, the plan will be continually reviewed and assessed for relevance and currency during the period)</p>	30 September 2024

				In Progress			<ul style="list-style-type: none"> Undertake the annual review of framework and policies by WHS and endorsed by ELT to ensure currency. Educate and communicate to all staff the refinements of the Incident Reporting processes. 	<p>February 24 – Currently monitoring the changes to legislation due to be implemented 30 June 24 (e.g. Workers' Compensation/ Right to Disconnect). This information to be included in the Annual Review. In addition, further development and refinement of the Incident Reporting processes currently be undertaken – scheduled to be completed 30 April 2024 – information/outcomes to be included in annual review of Framework.</p> <p>20 August 2024 – Strategic WHS Committee currently developing the "Generic Guidelines" for Hazards across the organisation. This information will be included in the annual review of the framework.</p> <p>Recommendations from a recent audit of the Incident Reporting process are currently being implemented – this included upskilling administrators through feedback/assessment of other user (LG) of the Safety software system to enhance the City's reporting capabilities.</p>	31 December 2024
	2.2 Risk specific training provided and documented in an annual training plan	<ul style="list-style-type: none"> Risk training program developed and available 	Department Managers, Gary Kay, Steven Brown, Sue Wiltshire.	In Progress			<ul style="list-style-type: none"> Implement the recommendations of the City's Safety Inductions report undertaken by Curtin University Workplace Student. The report detailed specific recommendations and opportunities for improvement – these are progressively being implemented across the City. <p>Currently the Site Specific Inductions and induction checklist for employees are in place and is completed as a new employee commences with the city. Once completed it gets saved in employees personal folder. The induction paperwork to be aligned with</p>	<p>November 23 – Curtin University Workplace Student undertook a review of the City's Safety Inductions, including site inductions. The report detailed specific recommendations and opportunities for improvement – these are progressively being implemented across the City.</p>	31 December 2024

							<ul style="list-style-type: none"> Investigate, develop, and implement a process (induction) for City managed projects to include Contractor Site Inductions. Once the Contractor Site Induction process has been implemented, an audit to be conducted to determine currency and effectiveness. 	<p>any recommendation from the above review.</p> <p>20 August 2024 – Implementation of recommendations are being progressed.</p> <p>The City has produced an “Employee Handbook for Managing Contractors” D10/50829v*. This handbook is being distributed to appropriate parties and is inclusive induction and management information.</p>	<p>31 July 2024</p> <p>30 October 2024</p>
				In Progress			<ul style="list-style-type: none"> Work Health Safety Induction (See WHS PowerPoint presentation and questionnaire; D20/21317[v3]) 	<p>November 23 – Curtin University Workplace Student undertook a review of the City’s Safety Inductions, including site inductions. The report detailed specific recommendations and opportunities for improvement – these are progressively being implemented across the City.</p> <p>20 August 2024 – Implementation of recommendations are being progressed.</p>	<p>31 December 2024</p>
				In Progress			<ul style="list-style-type: none"> Training to be developed for managers (Identified as a need for Managers) 	<p>February 2024 – Completion/review of outcomes to the above actions (in 2.2) will provide a comprehensive understanding of the future training to be developed for Managers. Additionally, regular information sessions from the HSMIA are presented to the SMT.</p> <p>A checklist for managers does exist. A further updating of the checklist to include WHS responsibilities is required.</p> <p>20 August 2024 – The City has produced an “Employee Handbook for Managing Contractors” D10/50829v*. This handbook is being distributed to appropriate</p>	<p>30 June 2024</p>

				Complete				parties and is inclusive induction and management information.	
				Complete			<ul style="list-style-type: none"> Continue to present a statistical report for ELT regarding the number of staff who have undertaken WHS related training and/or attendance/undertaken WHS inductions (including HR, Site and Orientation) – Monthly Basis 	February 2024 – A report has been created and is tabled at the ELT on a monthly basis.	On going
	2.3 WHS and wellbeing induction and training embedded	<ul style="list-style-type: none"> Training program developed 	Gary Kay, Kamara Pace, Steven Brown	In Progress			<ul style="list-style-type: none"> Health & Wellbeing calendar and initiatives 	<p>February 2024 – The City has reviewed and re-assessed the HR Administration Officer role to have a greater emphasis on the employee’s professional development and personal wellbeing initiatives.</p> <p>2 April 2024 - The role has been filled and it is the task of the incumbent to develop a Health & Wellbeing calendar which will not only expand on initiative but will incorporate existing wellbeing activities.</p> <p>20 August 2024 – The incumbent has developed a 6 month calendar and events listed are being progressed.</p>	30 September 2024
				Not started			<ul style="list-style-type: none"> Identify Health and Wellbeing standards that the City can aspire to achieve and develop an action plan to progress the attainment. 	February 2024 – Refer to comment above. This will part of the re-alignment of the HR position – now titled Development and Wellbeing Administration Officer.	31 December 2024
				Completed			<ul style="list-style-type: none"> Continue with permanent employees attending the City’s HR induction (full day) this includes elements of safety and well-being. 	The following action is on going and still current - All permanent employees undertake one day HR induction coordinated by City’s learning and development coordinator. This induction covers all aspects of WHS and other areas. An attendance sheet of all staff attending this training is kept and profiled on CM9. February 2024 – In November 23 – Curtin University Workplace Student undertook a review of the City’s Safety Inductions. The report detailed specific recommendations and	30 June 2024

							opportunities for improvement – these are progressively being implemented across the City. 20 August 2024 – The City continues with the HR Induction program. Content of the program has and is continually reviewed to ensure currency. In addition, further training has been undertaken to ensure appropriate staff are upskilled in the City's Safety software system.	
	2.4 A WHS internal communication plan developed and implemented	<ul style="list-style-type: none"> Comms plan developed 	Steven Brown, Sue Wiltshire	In Progress		<ul style="list-style-type: none"> Develop an internal WHS communications plan identifying different media platforms and the audience. 	<p>HSIMA creates and publish Monthly Safety topics. Safety bulletins are also in place. It gets published via City's Intranet.</p> <p>20 August 2024 – Whilst a dedicated and specific plan is still to be developed and implemented – the safety and wellbeing areas are communicating ad hoc related information to the staff .(e.g. wellbeing initiatives and WA safety incidents/bulletins)</p>	On going
				In Progress		<ul style="list-style-type: none"> Health, Safety, and Injury Management Advisor to continue to identify any specific WHS information to be issued to applicable internal stakeholders. 	<p>HSIMA to disperse any WHS related information to relevant stakeholders.</p> <p>20 August 2024 –The safety and area is communicating ad hoc related information to the staff .(e.g. monthly safety topics and WA safety incidents/bulletins)</p>	On going
<p>3. Wellbeing Wellbeing is enhanced for the City of Kwinana staff.</p>	3.1 Staff Wellbeing plan is developed and implemented.	<ul style="list-style-type: none"> Plan developed and implemented 	Gary Kay, Kamara Pace, Sue Wiltshire	In Progress		<ul style="list-style-type: none"> Document and implement the Staff Wellbeing Plan 	<p>February 2024 – The City has reviewed and re-assessed the HR Administration Officer role to have a greater emphasis on the employee's professional development and personal wellbeing initiatives (Role now titled – Development and Wellbeing Administration Officer). The incumbent commenced on 2 April 2024 and will be tasked to develop and action a Health & wellbeing plan.</p> <p>A staff wellbeing plan will be developed by gathering information from various existing documents.</p>	30 September 2024

Integrate mental health awareness, prevention, and support programs into the workplace, recognising its impact on overall employee health and safety.								20 August 2024 – The incumbent has developed a 6 month calendar and events (which is the basis of the plan) listed are being progressed.	
	3.2 Measures are used to determine uptake and effectiveness, with focus on strategies to improve physical and mental health.	<ul style="list-style-type: none"> Physical and mental wellbeing outcomes for staff are improved 	Sue Wiltshire, Steven Brown, Gary Kay	In Progress			<ul style="list-style-type: none"> Record, monitor and report on the Health and Safety Framework including the implementation of specific initiatives. (Part of the statistical report to ELT – at 2.2) 	<p>City has H&S framework. A review of the framework will be undertaken after June 2024 when the above listed details have been implemented.</p> <p>20 August 2024 – Strategic WHS Committee currently developing the “Generic Guidelines” for Hazards across the organisation. This information will be included in the annual review of the Framework.</p>	<p>1 September 2024</p> <p>30 October 2024</p>
				In Progress			<ul style="list-style-type: none"> Implement the Staff Health & Wellbeing calendar. 	<p>February 2024 – The City has reviewed and re-assessed the HR Administration Officer role to have a greater emphasis on the employee’s professional development and personal wellbeing initiatives (Role now titled – Development and Wellbeing Administration Officer and incumbent commences 2 April 2024).</p> <p>City undertakes and organises annual wellbeing activities for its staff. Activities like, health checks, skin assessments etc are organised by the L&D area.</p> <p>20 August 2024 – The incumbent has developed a 6 month calendar and events listed are being progressed.</p>	30 September 2024
	3.3 Enhanced Resilience to Workplace Stress	<ul style="list-style-type: none"> Employee Wellbeing Index to measure staff satisfaction, mental health, and overall wellbeing, derived from regular surveys and health assessments. 	Sue Wiltshire, Steven Brown, Gary Kay	In Progress			<ul style="list-style-type: none"> Develop a mental health program that includes regular training sessions, access to mental health professionals, and activities aimed at reducing stigma around mental health in the workplace. Regularly review and update safety policies and procedures to align with the latest State Government legislation, 	<p>February 2024 – The City has reviewed and re-assessed the HR Administration Officer role to have a greater emphasis on the employee’s professional development and personal wellbeing initiatives (Role now titled – Development and Wellbeing Administration Officer and incumbent commences 2 April 2024). This includes a focus on mental health awareness,</p>	On going

							<p>including the Work Health and Safety Act 2020 (WA).</p> <ul style="list-style-type: none"> • Further integrate risk management processes into business operations, emphasising proactive hazard identification and mitigation in all departments. • Implement continuous training programs focusing on emerging safety risks, mental health awareness, and legislative compliance to ensure that all employees are equipped with the knowledge and skills to maintain a safe work environment. • Explore and implement innovative safety technologies and systems, such as AI-driven analytics for hazard detection and incident prediction, to enhance proactive safety management. 	<p>prevention, and support programs.</p> <p>20 August 2024 – The incumbent has developed a 6 month calendar and events listed are being progressed. (e.g. wellbeing initiatives and safety programs).</p>	
<p>4. Safety system improvement - Systems and processes Risk management processes and policies are improved and updated</p>	<p>4.1 Existing risk management processes are integrated into core business processes for early identification of foreseeable hazards to eliminate or mitigate risk</p>	<ul style="list-style-type: none"> • Registers and risk assessments updated in required time and maintained 	<p>Steven Brown, Sue Wiltshire, Departmental Managers/Coordinators</p>	<p>In Progress</p>			<ul style="list-style-type: none"> • Review to be undertaken by HSIMA of the departmental hazard registers to be conducted with applicable managers. Reported on a quarterly basis to Directors. 	<p>A department hazard register has been rolled out for all the areas. Department managers to provide update to their directors on monthly/quarterly basis. HSIMA to schedule quarterly meetings with managers to review and collect data on reported hazards and create an action plan, as required. HSIMA to meet with all departmental managers to review the hazard register.</p> <p>20 August 2024 – Strategic WHS Committee currently developing the “Generic Guidelines” for Hazards across the organisation. This information will assist departmental managers to customise their mitigation to their specific hazards recorded on their registers.</p>	<p>Ongoing</p> <p>30 June 2024</p> <p>30 October 2024</p>

				In Progress			<ul style="list-style-type: none"> Review the WHS Management Action plan for currency and to determine use in the development of departmental plans. 		30 September 2024
	4.2 WHS software system implemented for whole of organisation	<ul style="list-style-type: none"> WHS system implemented, and training provided 	Steven Brown, Gary Kay.	In Progress			<ul style="list-style-type: none"> Continue with the implementation of phase one of the MyOSH software system to include the following modules (Incident Reporting, Hazard Reporting and Recording and monitoring of data – Dashboard). 	First phase of MYOSH is in progress with the Incident module being utilised. Other modules to be implemented and applicable training provided. 20 August 2024 – City staff attended another LG who use MyOSH software system and have been upskilled in the functionality and effectiveness of the system. Amendments to the City's system will incorporate this new information.	31 December 2024
				Not Started			<ul style="list-style-type: none"> Develop and implement a training plan for the implementation of the remaining modules for phase one. 	Training plan will be created by L&D coordinator in conjunction with MYOSH.	31 March 2025
				Not Started			<ul style="list-style-type: none"> Commence the configuration of phase two of the MyOSH system – including consultation with internal stakeholders/users. 	Phase 2 will commence on completion of Phase one.	TBA
	4.3 Policies, standards and guidelines reviewed and updated to ensure currency and alignment	<ul style="list-style-type: none"> Policies, standards and guidelines reviewed 	Sue Wiltshire	In Progress			<ul style="list-style-type: none"> Gap analysis of current policies/guidelines compared with new regulations and legislation captured in WHS Management Action Plan 2021-23 	February 2024 – Policies/guidelines aligned to new legislation. Awaiting the introduction of the new legislation on 30 June 2024 when another review will be undertaken. 20 August 2024 – In addition, awaiting the finalisation of the "Generic Guidelines" for hazards.	31 December 2024
				In Progress			<ul style="list-style-type: none"> Develop a schedule and undertake the review and alignment of policies and guidelines with the newly introduced legislation to ensure currency and compliance 	February 2024 – Policies/guidelines aligned to new legislation. Awaiting the introduction of the new legislation on 30 June 2024 when another review will be undertaken.	31 December 2024

								20 August 2024 – In addition, awaiting the finalisation of the “Generic Guidelines” for hazards.	
5. Legislative compliance Continually improve compliance with WHS & other relevant regulatory requirements	5.1 WHS policies, procedures and supporting tools reflect current legislative requirements	<ul style="list-style-type: none"> Document review occurs in line with requirements 	Steve Brown, Sue Wiltshire, Departmental managers/coordinators, External Consultant.	In Progress			<ul style="list-style-type: none"> Develop a schedule and undertake the review and alignment of policies, procedures and supporting tools to reflect the newly introduced legislation to ensure currency and compliance, specifically including: - Risk Assessments and Hazard Assessments 	February 2024 – Policies/guidelines aligned to new legislation. Awaiting the introduction of the new legislation on 30 June 2024 when another review will be undertaken. 20 August 2024 – In addition, awaiting the finalisation of the “Generic Guidelines” for hazards. In addition, specific safety related forms are being reviewed and updated.	31 March 2025
				In Progress			<ul style="list-style-type: none"> Undertake a Gap Analysis to capture any areas that are not compliant. Departmental plans and the WHS Management Action plan as a minimum for needs/gap identification/any deficiencies. 	Departmental gap analysis needs to be scheduled and completed in consultation with key departmental stakeholders/HSIMA/External consultant.	30 September 2024
	5.2 WHS internal audit program monitors and measures legal compliance and effectiveness	<ul style="list-style-type: none"> Corrective actions from internal audits address system and legal compliance deficiencies 	Steven Brown, Sue Wiltshire	In Progress			<ul style="list-style-type: none"> Undertake a Gap Analysis of the recent Safety audits 	February 2024 – External audit of WHS – Incidents and Corrective Actions scheduled for April 24. Action plan developed to review and implement any updates/amendments. Audit against WorkSafe scheduled for the end of 2024. An action plan for preparedness will be developed. 20 August 2024 – Recent audit recommendations for WHS incidents and corrective actions are being progressed.	30 June 2024 31 July 2024 31 October 2024
				Not Started			<ul style="list-style-type: none"> Implement any identified gaps from the analysis (Consider desktop audit to ISO 45001 and LGIS audit to the WorkSafe plan) 	February 2024 - Audit against WorkSafe scheduled for the end of 2024. An action plan for preparedness will be developed.	31 July 2024 31 October 2024
				Not Started			<ul style="list-style-type: none"> Future Worksafe Audits to consider other operational departments in the organisation 	Future audits will include other departments within the organisation	TBA

	5.3 WHS audit corrective actions are monitored for completion within allocated timeframes	<ul style="list-style-type: none"> Audit actions completed within required timeframe 	Steven Brown, Sue Wiltshire	In Progress			<ul style="list-style-type: none"> Develop and implement an action plan/corrective action spreadsheet from the Gap Analysis (Refer 5.2) 	Action plan will be created once the gap analysis is completed. Findings to be reported to WHS Committee and ELT. 20 August 2024 – Recommendations from the WHS audit re Incidents and Corrective Actions are being progressed. Action plan yet to be developed and implemented (Refer 5.2.)	30 September 2024 31 December 2024
				In Progress			<ul style="list-style-type: none"> Monitor and report on the information in the action plan/corrective actions spreadsheet. <p>Note: – once MYOSH modules are fully deployed reports can be pulled on corrective actions from here</p>	Corrective actions get documented on Status list and are to be discussed during WHS meetings. Reported to ELT. Once MYOSH is implemented, reports will then be generated off the system. 20 August 2024 – WHS Committee implemented a new process for their monthly meetings to ensure Corrective Actions and actions are not missed.	Ongoing

Placeholder for Attachment B

Work Health and Safety (WHS) Statistical Report - 30
September 2024

ATTACHMENT B - WHS Statistical Data Report -
Audit and Risk Committee - 11 May 2024 - 30 August
2024



City of Kwinana

Incident Reporting Processes and Procedures

14 June 2024

Internal Audit Report

(Audit in Confidence)

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Table of Contents

Executive Management Summary.....	3
1. Objective & Scope	5
2. Methodology	6
3. Statement of Responsibility.....	7
4. Detailed Findings and Recommendations	8
Appendix A – Risk Criteria.....	14
Appendix B – Ageing of Open Incidents.....	15
Appendix C – Sample Test Results	16

Executive Management Summary

The City of Kwinana (“the City”) has requested Australian Audit to undertake a review of the Workplace Health and Safety incident reporting processes and procedures.

Incident reporting is a decentralised process within the City. All employees and contractors are responsible for reporting all incidents / events (including near misses) when the event occurs. Incidents are recorded in the MyOSH system which was implemented in November 2022. Prior to this, incidents were captured and managed on an excel spreadsheet. A manual form was used by staff to report the incidents. With the introduction of MyOSH system, the incidents are directly recorded in the MyOSH system.

There are only 150 licenses for MyOSH and therefore access to MyOSH is provided to Directors, Managers, Coordinators, Supervisors, Team Leaders, Health and Safety Representatives and MyOSH Champions. Staff who do not have a license can complete the manual incident form in readiness for input into the MyOSH system by a staff member with a license. This enables the data to be captured as soon as possible and avoids reliance on memory.

Once an incident is reported, this is investigated by the Coordinator / Supervisor. The root cause is identified, and any corrective action(s) are recommended. The incident report is then work flowed to the respective Manager who reviews and then is forwarded to the relevant Director, who is responsible for final sign off.

Statistics are produced from the data in MyOSH system and reported monthly to the Work Health & Safety Committee, weekly to the Executive Team and quarterly to the Audit and Risk Committee. Open incidents (unactioned or are yet to be finalised and closed out) are also discussed at the Work Health & Safety Committee meetings.

The Health Safety and Injury Management Advisor is responsible for following up open incidents to ensure they are properly dealt with.

Based on our work we can conclude that overall, although satisfactory management processes and controls exist over the Incident Reporting Processes, several process improvements were identified and have been reported within this final internal audit report.

No high risk control matters were identified.

The following process improvement matters, which we have assessed as medium to low risk to the City, are detailed in this report for management attention and action.

In summary, the following key issues have been reported for management action:

- **Policy and Framework Documents.** These documents were last reviewed /developed a couple of years back and therefore now need review and update.
- **Monitoring against Reporting Timeframes.** The Health Safety and Injury Management Advisor has the responsibility to ensure incidents are dealt with in a timely manner. However, no timeframes are set for the actioning of incidents. Some of the open incidents have been outstanding for more than 90 days.

- **Data Capture in MyOSH system.** The data captured in MyOSH against the incidents are not complete or adequate. Not all the fields are completed by staff. Also, the quality of information captured could be improved.
- **Corrective Action Items.** There is no clear process to translate investigation recommendations to specific corrective actions and to ensure that these actions are documented, communicated, followed up, completed and reported against.
- **Key performance Indicators (KPI).** There are no specific key performance indicators (KPIs) set to measure the effectiveness of the incident reporting and management processes and whether proposed actions have been effective.

The above findings with our recommended actions and management comments have been included in the body of this final internal audit report in more detail under Detailed Findings and Recommendations.

1. Objective & Scope

The objective of this audit was to ensure that the Workplace Health and Safety incident reporting processes and procedures are appropriate, followed correctly and lead to effective management of incidents.

The audit focussed on the following key matters:

- Incident Reporting Processes:
 - Evaluate the initial incident reporting mechanisms. Assess ease of use, accessibility for officers, and the promptness of the response.
 - Review the follow-up procedures post-incident reporting, including investigation and resolution processes.
- Procedure Compliance:
 - Verify whether the current procedures are in line with best practices and legal requirements.
 - Assess staff awareness and adherence to these procedures.
- Documentation and Record Keeping:
 - Examine the documentation process for incidents, from initial reporting to quarterly reporting to the City's Audit and Risk Committee.
 - Assess the quality, completeness, and accessibility of incident records.
- Recommendations for Improvement:
 - Provide actionable recommendations to address any identified gaps or areas for improvement in WHS incident reporting and management processes.

2. Methodology

The review undertook the following approach:

- Obtained copies of all policies, procedures, guidelines etc and the City's strategic and operational risk registers that relate to the incident reporting process.
- Identified all relevant and key legislative and internal control matters that require compliance and undertake sample testing, where appropriate, to determine as to whether the stated management controls are being adhered to and that the City is satisfactorily complying with any applicable legislative requirements.
- Where appropriate met with relevant staff to identify and document the processes in place, seek any concerns staff may have with current processes and to identify, if any, additional system controls that may be required.
- Assessed and compared the existing management controls in place within the City, against our pre-determined "Desirable Control Model" to evaluate the adequacy of the existing system controls.
- Where appropriate, undertook a walkthrough of the processes to determine whether proper system controls in place are operating satisfactorily and/or require further improvement.
- Discussed all findings with relevant staff throughout the review process to ensure our findings are factually correct and to seek agreement to our recommended action(s).
- Issued draft internal audit report to the City's CEO and the City's Manager Governance & Legal for discussion and to seek written management comments regarding our findings and recommendations.
- Issued final internal audit report which included management comments.

3. Statement of Responsibility

The matters raised in this internal audit report are only those which came to our attention during the course of performing our internal audit and may not necessarily be a comprehensive statement of all the possible issues that may exist or improvements that may be made in relation to the Incident Reporting process.

The internal audit has been conducted in accordance with the “*International Standards for the Professional Practice of Internal Auditing*” contained in the “*International Professional Practices Framework*” issued by the Institute of Internal Auditors Australia.

In our professional judgement, sufficient and appropriate audit procedures were completed and appropriate evidence gathered to support the accuracy of the conclusions reached and contained in this report.



Santo Casilli FCPA PFIIA
Associate Director Internal Audit, Probitry and Risk

4. Detailed Findings and Recommendations

Audited Area: Incident Reporting process

Audited Activity: Policies and Procedures

Finding	Implication	Recommendation	Management Comments
<p>1.0 Policy and Framework Documents</p> <p>The City has the following documents in place supporting the incident reporting processes. These documents have not been reviewed recently and now require review and possible update.</p> <ul style="list-style-type: none"> • Work Health and Safety Policy. The policy was last updated in April 2022. • Work Health and Safety Policy Statement. The statement was made in May 2022. • Safety and Health Management System Framework Tier 1. This document was developed in July 2020. This document has not been reviewed and updated since then. • Safety and Health Management System Framework Tier 2 (Standards and Procedures). This was developed in Oct 2020. This document has not been reviewed and updated since then. 	<p>Risk: Low</p> <ul style="list-style-type: none"> • The documents may not reflect current practices and legislative requirements to ensure proper incident reporting practices are being followed. 	<p>We recommend that:</p> <ul style="list-style-type: none"> • City Management review and update the relevant policies, policy statement and the system framework documents. • The policy documents should be subject to ongoing review and at least once every 2 years. 	<p>Responsibility: Manager HR</p> <p>Action Due Date: 30 September 2024</p> <p>Management Comments:</p> <p>All the WHS framework documents have been updated. Tier 1 document was approved at the Audit and Risk Committee meeting on 9 March 2023. Tiers 2 & 3 were reviewed and approved at the Audit and Risk Committee meeting on 19 June 2023. Included in this documentation was the WHS Policy. This review and updates had many changes with a focus on the new WHS legislation. The next review is due to commence but the City is waiting on the finalisation of the new Workers Compensation and Injury Management legislation due to be implemented on 30 June 2024. Within this process, the City is awaiting advice from the City’s insurers and for Workcover to release their guidelines.</p>

Audited Area: Incident Reporting Process

Audited Activity: Monitoring against Timeframes

Finding	Implication	Recommendation	Management Comments
<p>2.0 Monitoring against Reporting Timeframes</p> <p>The Health Safety and Injury Management Advisor has the responsibility to ensure incidents are dealt with in a timely manner. However, there are no timeframes set for the actioning of incidents.</p> <p>Ageing analysis of the outstanding incidents at as 22 May 2024 showed that of the 27 incidents outstanding, 25 were outstanding for more than 30 days with 13 outstanding for more than 90 days. Refer to Appendix B for details.</p> <p>Our sample testing of 11 incidents identified the following:</p> <ul style="list-style-type: none"> • 2 incidents which were not reported within 24 hours of occurrence. • Of the 7 incidents that were closed, 5 incidents took more than a week for investigation to complete and Director to sign off. 	<p>Risk: Low</p> <ul style="list-style-type: none"> • Effectiveness of the incident reporting processes cannot be measured and also untimely investigation could increase risks of further incidents of the same nature to re-occur. 	<p>We recommend that:</p> <ul style="list-style-type: none"> • Timeframes should be set for reporting of incidents, investigation, Manager review and Director sign off. • Performance against the timeframes should be monitored and reported where timeframes are not being complied with. Useful information to report would include: <ul style="list-style-type: none"> ○ Days to report incident by Department. ○ Days to complete investigation by Department. ○ Days to close incidents by Department. ○ Ageing of incidents by Department. 	<p>Responsibility: HSIMA</p> <p>Action Due Date: 31 December 2024</p> <p>Management Comments:</p> <p>The City is currently working with the MyOSH system vendors to develop a timeframed workflow with follow-up reminders.</p> <p>HSIMA has been tasked to manually follow-up outstanding incidents to ensure accurate and meaningful data is captured and the outstanding incidents are closed out. This will be listed as a KPI for 24/25 for HSIMA.</p> <p>In addition, the HSIMA has been tasked to ensure that the City has well trained and knowledgeable MyOSH champions to assist with timeframes and accurate and meaningful data collection.</p>

Audited Area: Incident Reporting Process

Audited Activity: Data Capture

Finding	Implication	Recommendation	Management Comments
<p>3.0 Data Capture in MyOSH system</p> <p>The data captured in MyOSH system against the incidents are not complete or sufficiently adequate. Not all the fields required to be completed are completed by staff.</p> <p>Sample testing of 11 incidents identified the following:</p> <ul style="list-style-type: none"> • 2 instances where dates were incorrectly entered. In these instances, the date of reporting was prior to date of occurrence of the incident. • Some of the fields in MyOSH were not completed for the incidents. • Quality of the root cause analysis was not considered satisfactory in some instances. • Corrective actions with responsibility and timeframe were not identified for 9 incidents. <p>Refer to Appendix C for details.</p>	<p>Risk: Medium</p> <ul style="list-style-type: none"> • Incomplete and unsatisfactory inputs may mean that the desirable outputs may not be achieved or effective in combating the incident root cause. 	<p>We recommend that:</p> <ul style="list-style-type: none"> • Health Safety and Injury Management Advisor review each incident to ensure quality of data captured in MyOSH is satisfactory and sign off. Any training required should also be identified and provided to staff. • Management should identify information that is mandatory for completion in MyOSH system and set up the system such that the system prevents from submitting the incident for review if all required mandatory information is not completed. 	<p>Responsibility: HSIMA</p> <p>Action Due Date: 31 December 2024</p> <p>Management Comments:</p> <p>The HSIMA has been tasked to ensure that the City has well trained and knowledgeable staff and to ensure that the data entered adheres to the approved documented process for recording / data input into the system.</p> <p>MyOSH champions to assist with timeframes, education and accurate and meaningful data collection. The City is currently working with the MyOSH system vendors to develop a timeframed workflow with follow-up reminders.</p> <p>HSIMA has been tasked to manually follow-up outstanding incidents to ensure accurate and meaningful data is captured and the outstanding incidents are closed out. This will be listed as a KPI for 24/25 for HSIMA.</p>

Audited Area: Incident Reporting Process

Audited Activity: Corrective Actions

Finding	Implication	Recommendation	Management Comments
<p>4.0 Corrective Action Items</p> <p>Determining the corrective action for an incident is a decentralised process without any involvement by the Health Safety & Injury Management Advisor.</p> <p>There is no clear process to translate investigation recommendations to specific corrective actions and to ensure that these actions are documented, communicated, followed up, completed and reported against.</p> <p>During our sample testing of 11 incidents, we found that corrective actions, responsibility and action timeframe were not identified for 9 of these incidents.</p>	<p>Risk: Medium</p> <ul style="list-style-type: none"> In the absence of not identifying and completing corrective actions, there is a risk that the incident may repeat. 	<p>We recommend that:</p> <ul style="list-style-type: none"> Corrective actions with responsibility and timeframes for completion should be identified for each incident. The corrective action recommended by a Business Unit should also be reviewed and approved by the Health Safety & Injury Management Advisor. In reviewing the corrective actions, the Health Safety & Injury Management Advisor should determine if the corrective actions are appropriate, are applicable across the City and take action to implement this. Any training required should also be identified and provided to staff. Corrective actions identified should be monitored and reported against by the Health Safety & Injury Management Advisor. 	<p>Responsibility: HSIMA</p> <p>Action Due Date: 30 September 2024</p> <p>Management Comments:</p> <p>The City has introduced a new Committee – WHS Strategic Committee who will sit between the Executive team and the WHS Committee to provide more of a strategical approach as opposed to an operational overview.</p> <p>This Committee will be tasked with the oversight of the Corrective Actions and review of WHS documentation. In addition, part of the corrective action process is to ensure that staff are well versed in root cause analysis. This may include further training and on occasions outsourcing of analysis, especially for a high risk incident.</p>

Audited Area: Incident Reporting Process

Audited Activity: Key Performance Indicators

Finding	Implication	Recommendation	Management Comments
<p>5.0 Key Performance Indicators (KPIs)</p> <p>There are no specific key performance indicators (KPIs) set to measure the effectiveness of the incident reporting and management processes.</p> <p>Currently, several statistics are reported to the Executive Team, Work Health & Safety Committee and to the Audit and Risk Committee.</p> <p>Statistics provided include the number of incidents and injuries by Department and Directorate, status, event severity.</p> <p>However we are of the view that statistics alone is not adequate to measure the effectiveness of the incident reporting process and Work Safety and Health systems.</p> <p>For reporting to be useful and add value, they must be designed to provide information that is relevant to intended users and be measured against the City's established criteria.</p>	<p>Risk: Medium</p> <ul style="list-style-type: none"> • Without setting and measuring KPIs, the effectiveness of the process and systems cannot be effectively measured and improved. 	<p>We recommend that:</p> <ul style="list-style-type: none"> • Meaningful KPIs should be developed and reported. KPIs may include: <ul style="list-style-type: none"> ○ targets set for reduction in number of incidents, number of injuries. ○ 12 month comparison of incident rate, injury rate, near misses reported. ○ Average time to close incidents over a 12 month period. ○ Average time to implement corrective actions over a 12 month period. 	<p>Responsibility: Executive Team</p> <p>Action Due Date: 31 December 2024</p> <p>Management Comments:</p> <p>The City is currently working with the MyOSH systems vendor to further develop and enhance the reporting process and data collation which will include monitoring and trending of information. This will then permit the measurement against established data and some meaningful KPIs for reporting.</p>

Appendix A – Risk Criteria

The following risk criteria were used to assess level of risk on audit findings included in the Audit Report.

Risk Assessment Matrix

Likelihood of Risk:

Rating	Description	Frequency
1	Rare – May occur, only in exceptional circumstances	< once in 15 years
2	Unlikely – Could occur at some time	At least once in 10 years
3	Possible – Should occur at some time	At least once in 3 years
4	Likely – Will probably occur in most circumstances	At least once per year
5	Almost Certain – Expected to occur in most circumstances	> once per year

Consequence of Risk:

Description	Health	Financial Loss	Operation	Compliance	Reputation	Project
1. Insignificant	No injuries or illness	<\$50,000	Little Impact	Minor breach of policy, or process requiring approval or variance	Unsubstantiated, low impact, low profile or no news item.	Small variation to cost, timeliness, scope or quality of objectives and required outcomes.
2. Minor	First Aid treatment	\$50,000 to \$250,000	Inconvenient Delays	Breach of policy, process or legislation requiring attention of minimal damage control	Substantiated, low impact, low news profile.	5-10% increase in time or cost or variation to scope objective requiring approval
3. Moderate	Medical treatment required	\$250,000 to \$1 million	Significant delays to major deliverables	Breach requiring internal investigation, treatment or moderate damage control	Substantiated, public embarrassment, moderate impact, moderate news profile.	10-20% increase in time or cost or variation to scope objective requiring Senior Management approval
4. Significant	Death or extensive injuries	\$1 million to \$3 million	Non achievement of major deliverables	Breach resulting in external investigation or third party actions resulting in tangible loss and damage to reputation	Substantiated, public embarrassment, moderate impact, high news profile and 3 rd party actions.	20-50% increase in time or cost or significant variation to scope objective requiring restructure of project and Senior Management or Council approval
5. Severe	Multiple deaths or sever permanent disabilities	>\$3 million	Non achievement of major deliverables	Breach resulting in external investigation or third party actions resulting in significant tangible loss and damage to reputation	Substantiated, public embarrassment, very high multiple impacts, high widespread multiple news profile, 3 rd party actions.	>50% increase in time or cost or inability to meet project objectives requiring the project to be abandoned or redeveloped

Risk Exposure:

Risk = Likelihood x Consequence

Score	Level of Risk	Score	Level of Risk	Score	Level of Risk
1 - 8	Low	9 - 19	Medium	20 - 25	High

Appendix B – Ageing of Open Incidents

The following table shows the ageing of the open incidents.

Status	0-30	31-60	61-90	>90	Total
New Report		2			2
Open Report			2	2	4
Manager Review	1	3	2	10	16
Pending Sign Off	1		3	1	5
Total	2	5	7	13	27

Appendix C – Sample Test Results

The following table shows results from sample testing performed on 11 randomly selected incidents.

Doc Number	Date Occurred	Classification (Outcomes)	Brief Description	Nature of Incident	Actual Incident Category	Supervisor	status	Incident reported on time?	Incident was investigated and closed off within appropriate timeframes?	Root cause analysis made?	Specific corrective action with responsibility and timeframe for completion identified	Comments
225	07/03/2023	Injury	Animal Handling - Back Injury		Category: 2, Rating: Medium, Risk Level: Medium	LOUIS De Klerk	Closed	yes - see comments	31 days	Root cause analysis not the best.	no	Date reported is before date the incident occurred. Some fields which may not be relevant are left unanswered, may be consider NA as an option.
241	30/04/2023	Inappropriate Behaviour/ Violence and Abuse (MOP)	Interaction with Aggressive MOP	First Aid - (Psychological Hazard)	Category: 1, Rating: Low, Risk Level: Low	LOUIS De Klerk	Closed	no - 2 days	63 days	Root cause analysis not the best.	no	Some other fields which may not be relevant are left unanswered, may be consider NA as an option.
255	22/06/2023	Injury	City Assist Officer bitten by dog		Category: 1, Rating: Low, Risk Level: Low	LOUIS De Klerk	Closed	yes - see comments	13 days	Root cause analysis not the best.	yes	Date reported is before date the incident occurred. Some other fields which may not be relevant are left unanswered, may be consider NA as an option.
274	16/08/2023	Injury	Hot water burn		Category: 2, Rating: Medium, Risk Level: Medium	DEB Merrett	Manager Review	yes - same day	NA	Root cause analysis not the best.	no	Some other fields which may not be relevant are left unanswered, may be consider NA as an option.
289	14/09/2023	Near Miss	Child got their head stuck in a chair back		Category: 2, Rating: Medium, Risk Level: Medium	Denver D'Cruz	Closed	yes - same day	27 days	Root cause analysis not the best.	no	Some other fields which may not be relevant are left unanswered, may be consider NA as an option.
299	16/11/2023	Injury	Swim Instructor suspected nerve impingement		Category: 2, Rating: Medium, Risk Level: Medium	Michael Hayes	Closed	yes - same day	yes - 1 day	Appropriate	no	Some other fields which may not be relevant are left unanswered, may be consider NA as an option.
310	15/12/2023	Injury	Staff member twisted knee moving the chair trolley		Category: 2, Rating: Medium, Risk Level: Medium	Denver D'Cruz	Closed	yes - same day	47 days	Root cause analysis not the best.	no	Some other fields which may not be relevant are left unanswered, may be consider NA as an option.
316	10/01/2024	Inappropriate Behaviour/ Violence and Abuse (MOP)	Young person came off his bike and broke his arm and a small fracture on his wrist.	Report Only	Category: 3, Rating: High, Risk Level: High	Adam Nankin	Closed	yes - 1 day	19 days	Root cause analysis not the best.	no	Some other fields which may not be relevant are left unanswered, may be consider NA as an option.
328	19/02/2024	Vehicle	Damage to Truck		Category: 1, Rating: Low, Risk Level: Low	John Klas	Manager Review	no - 9 days	NA	Appropriate	no	Some other fields which may not be relevant are left unanswered, may be consider NA as an option.
339	22/03/2024	Inappropriate Behaviour/ Violence and Abuse (MOP)	Unacceptable behaviour and disorderly conduct from resident (Melissa Williams) that included threats and abuse of City staff.	Verbal Abuse - (Report Only)	Category: 1, Rating: Low, Risk Level: Low	Peta Dennison	Pending Sign Off	no - 5 days	NA	Appropriate	no	Some other fields which may not be relevant are left unanswered, may be consider NA as an option.
349	19/05/2024	Other, Injury, Equipment	Lights would not turn on. Circuit B2 has an electrical fault. On trying to fix, Chloe received a minor electrical shock.		Category: 4, Rating: Extreme, Risk Level: Extreme	Denver D'Cruz	Manager Review	yes - 1 day	NA	Root cause analysis not the best.	no	Some other fields which may not be relevant are left unanswered, may be consider NA as an option.

8.4 RISK MANAGEMENT REPORT

SUMMARY

This report provides an update to the Audit and Risk Committee (Committee) on the City of Kwinana's (City) operational and strategic risk profile, for the purpose of facilitating appropriate and independent oversight. This report is a standard item for the Committee and details all identified strategic risks as well as operational risks assessed as high or extreme (residual).

There are presently no high or extreme rated operational risks for reporting.

The City's Strategic Risk Register is provided at **Attachment A** for noting and comment by the Committee.

The following changes to strategic risks are noted since the 10 June 2024 Committee meeting:

1) Changes to risk registers

SR17 – State Governance Waste Avoidance and Resource Recovery Strategy 2030 requirement for 3-bin FOGO waste system to be implemented across Perth and Peel by 2025

- As a result of this project now being complete and all steps have been put in place for the roll out of FOGO, it has been determined that this risk can now be transferred and managed via the City's Operational Risk Register.

SR18 – Community engagement practices

- It has been determined that SR18 - Community Engagement practices would best sit within the City's Operations Risk Register. City officers are reviewing the risk as a whole and transferring to the Operational Risk Register.

2) Risks added to register

SR30 Business continuity in the event of a disaster relating to City of Kwinana infrastructure

- New risk item has been included within the Strategic Risk Register and appropriate controls have been allocated. The Manager Governance and Legal and the Governance and Risk Officer will monitor and manage this risk, ensuring appropriate controls and actions are updated and added when required.

OFFICER RECOMMENDATION

That the Audit and Risk Committee note and provide comment where appropriate on the City of Kwinana Organisational Risk Register – Strategic Risks detailed in Attachment A.

VOTING REQUIREMENT

Simple majority Discussion

Managing risk is integral to good governance and leadership and is fundamental to the management of the organisation at all levels.

The City is dedicated to an integrated approach to risk management, aiming to set appropriate strategies, achieve our objectives, and make informed decisions in the best interest of the community.

AS/NZS ISO 31000:2018 Risk Management – Guidelines defines risk as “the effect of uncertainty on objectives.” While it is not feasible to eliminate all risk, it is possible to manage uncertainty and create an environment where the occurrence of unexpected events is minimised.

The City’s risk management objectives as set out in the City’s Risk Management Strategy are as follows:

- a) minimise the occurrence of serious injury or loss of life;
- b) protect assets and resources, including natural and cultural;
- c) meet legislative and compliance requirements;
- d) minimise legal liability;
- e) minimise disruption to operations and services;
- f) minimise financial loss, including through theft or fraud;
- g) improve the City’s governance, management capability and accountability;
- h) ensure an effective response to critical incidents effecting services and operations;
- i) effective emergency response and event recovery; and
- j) minimise potential damage to reputation.

Achievement of these objectives requires the proactive identification and mitigation of strategic and operational risks.

The City’s Audit and Risk Committee is responsible for providing guidance, assistance, and oversight to Council in relation to risk management, which includes:

- a) ensuring the City has appropriate risk management and internal controls in place;
- b) approving and reviewing risk management programmes and risk treatment options for extreme risks;
- c) setting and reviewing risk management tolerances/appetite and making recommendations to Council;
- d) providing guidance and governance to support significant and/or high-profile elements of the risk management spectrum;
- e) monitoring strategic risk management and the adequacy of internal controls established to manage the identified risks;
- f) monitoring the City’s internal control environment and reviewing the adequacy of policies, practices and procedures;
- g) assessing the adequacy of risk reporting;
- h) monitoring the internal risk audit function, including development of audit programs as well as monitoring of audit outcomes and the implementation of recommendations;
- i) setting the annual internal audit plan in conjunction with the internal auditor taking into account the City Strategic and Operational Risk Registers;
- j) conduct an annual review of the organisation’s Risk Management Policy and Strategy; and
- k) reporting through the Chief Executive Officer to the Council on its findings.

The Organisational Risk Registers are provided to the Audit and Risk Committee on a quarterly basis for their review.

The City of Kwinana Risk Management Strategy (Strategy) establishes the following risk assessment criteria:

Measures of Likelihood			
Level	Rating	Description	Frequency
A	Almost Certain	80-100% probability that the event will occur in the time period being considered.	Likely to occur at least once in every 1 to 1 ¼ years.
B	Likely	50-79% probability that the event will occur in the time period being considered.	Likely to occur once every 1 ¼ years to 2 years.
C	Possible	25-49% probability that the event will occur in the time period being considered.	Likely to occur once every 2 years to every 4 years.
D	Unlikely	2-24% probability that the event will occur in the time period being considered.	Likely to occur once every 4 years to every 50 years.
E	Rare	0-2% probability that the event will occur in the time period being considered.	Not likely to occur more than once in 50 years.

The City’s risk appetite/attitude for residual risk set out in the Strategy is as follows:

Impact Category	Level of residual risk the City is willing to retain			
	Low	Medium	High	Extreme
Environment		●		
Financial	●			
Health and Safety	●			
ICT, Infrastructure and Assets		●		
Legislative Compliance	●			
Reputation/Image	●			
Service Delivery		●		

The Strategic Risk Register shows all 9 active strategic risks recorded for the City.

Of the 108 active operational risks recorded for the City, those that that are recorded with a residual rating of ‘high’ or ‘extreme’ are presented to the Committee (presently nil).

The following is a summary of all active risks within the City’s risk portfolio:

Risks		Risks by Ratings (Residual)	
Operational Risks	108	Extreme	0
		High	0
		Medium	55
		Low	53
Strategic	9	Extreme	0
		High	0
		Moderate	6
		Low	3

STRATEGIC IMPLICATIONS

This proposal will support the achievement of the following outcome/s and objective/s detailed in the Strategic Community Plan and Corporate Business Plan.

Strategic Community Plan			
Outcome	Strategic Objective	Action in CBP (if applicable)	How does this proposal achieve the outcomes and strategic objectives?
5 – Visionary leadership dedicated to acting for its community	5.1 – Model accountable and ethical governance, strengthening trust with the community	N/A – There is no specific action in the CBP, yet this report will help achieve the indicated outcomes and strategic objectives	Although there is no direct link between the City risk management practices and the Strategic Community Plan, the Framework plays a supportive role by embedding risk management practices. This, in turn, strengthens ethical governance, enhances customer service delivery, and contributes to achieving high levels of business excellence.
	5.3 – Provide a high standard of customer service with the community as priority	N/A – There is no specific action in the CBP, yet this report will help achieve the indicated outcomes and strategic objectives	Although there is no direct link between the City risk management practices and the Strategic Community Plan, the Framework plays a supportive role by embedding risk management practices. This, in turn, strengthens ethical governance, enhances customer service delivery, and contributes to achieving high levels of business excellence.
	5.4 – Establish a culture of continuous improvement achieving high levels of business excellence	5.4.4 – N/A – There is no specific action in the CBP, yet this report will help achieve the indicated outcomes and strategic objectives	Although there is no direct link between the City risk management practices and the Strategic Community Plan, the Framework plays a supportive role by embedding risk management

			<p>practices. This, in turn, strengthens ethical governance, enhances customer service delivery, and contributes to achieving high levels of business excellence.</p>
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SOCIAL IMPLICATIONS

There are no social implications as a result of this proposal.

LEGAL/POLICY IMPLICATIONS

Regulation 17 of the *Local Government (Audit) Regulations 1996* provides:

17. CEO to review certain systems and procedures

- (1) *The CEO is to review the appropriateness and effectiveness of a local government’s systems and procedures in relation to —*
 - (a) *risk management; and*
 - (b) *internal control; and*
 - (c) *legislative compliance.*
- (2) *The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.*
- (3) *The CEO is to report to the audit committee the results of that review.*

FINANCIAL/BUDGET IMPLICATIONS

There are no financial implications that have been identified as a result of this report or recommendation.

ASSET MANAGEMENT IMPLICATIONS

No asset management implications have been identified as a result of this report or recommendation.

ENVIRONMENTAL/PUBLIC HEALTH IMPLICATIONS

No environmental or public health implications have been identified as a result of this report or recommendation.

COMMUNITY ENGAGEMENT

There are no community engagement implications as a result of this report or recommendation.

ATTACHMENTS

- A. Attachment - Risk Management Update Report - 30 September 2024** [↓](#)



Risk Management Report



Introduction

The City of Kwinana (City) is dedicated to an integrated approach to risk management, aiming to set appropriate strategies, achieve our objectives, and make informed decisions in the best interest of the community.

This document provides an overview of the active risk items currently listed within the City's risk portfolio.

Risk Chart

The following charts offer a comprehensive overview of the active risk items currently listed within the City's risk portfolio. These items are categorised under two primary registers: the Strategic Risk Register and the Operational Risk Register.

Strategic Risk Register

The Strategic Risk Register encompasses risks that have the potential to significantly impact the City's long-term goals, mission, and strategic initiatives. These risks are often broad and can affect the City on multiple levels. Examples of strategic risks might include economic downturns, changes in government regulations, or major environmental events.

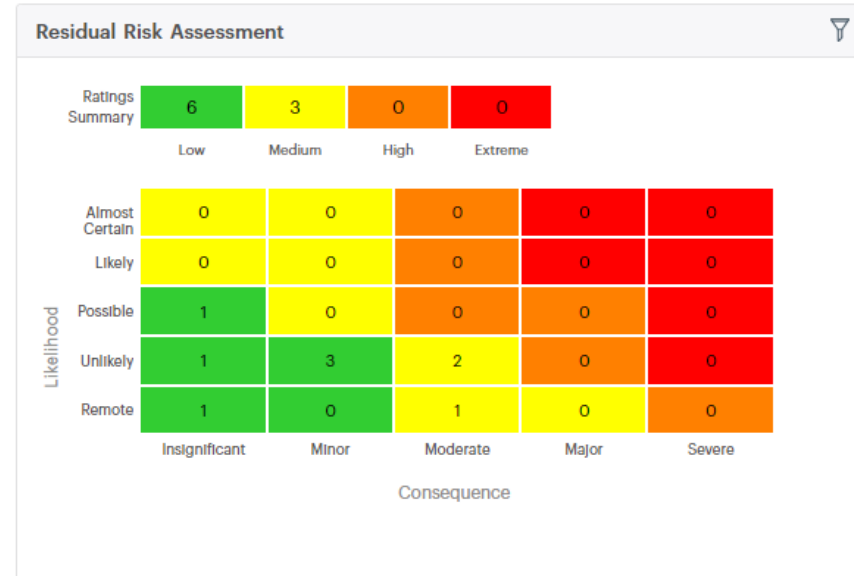
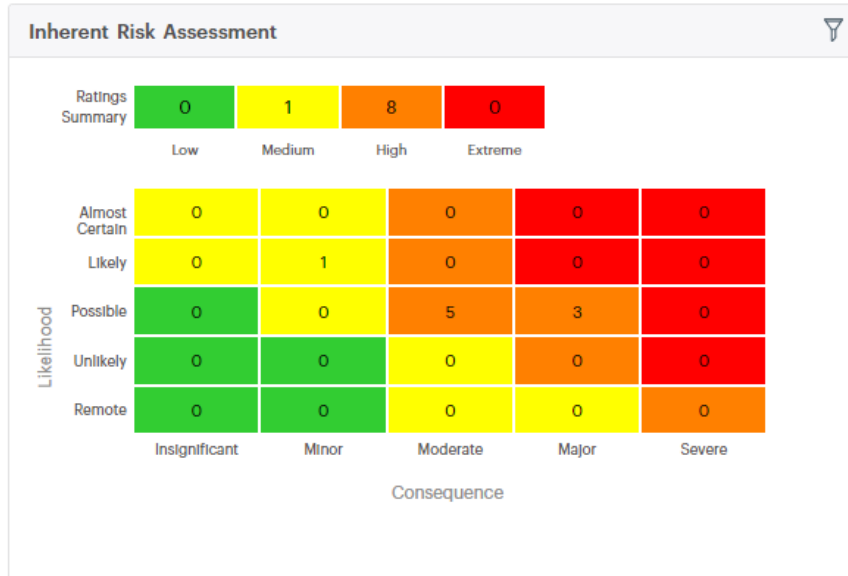
All active risks within the City's Strategic Risk Register are presented. These risks are critical to the City's overarching strategy and are continuously assessed to mitigate potential impacts.

Operational Risk Register

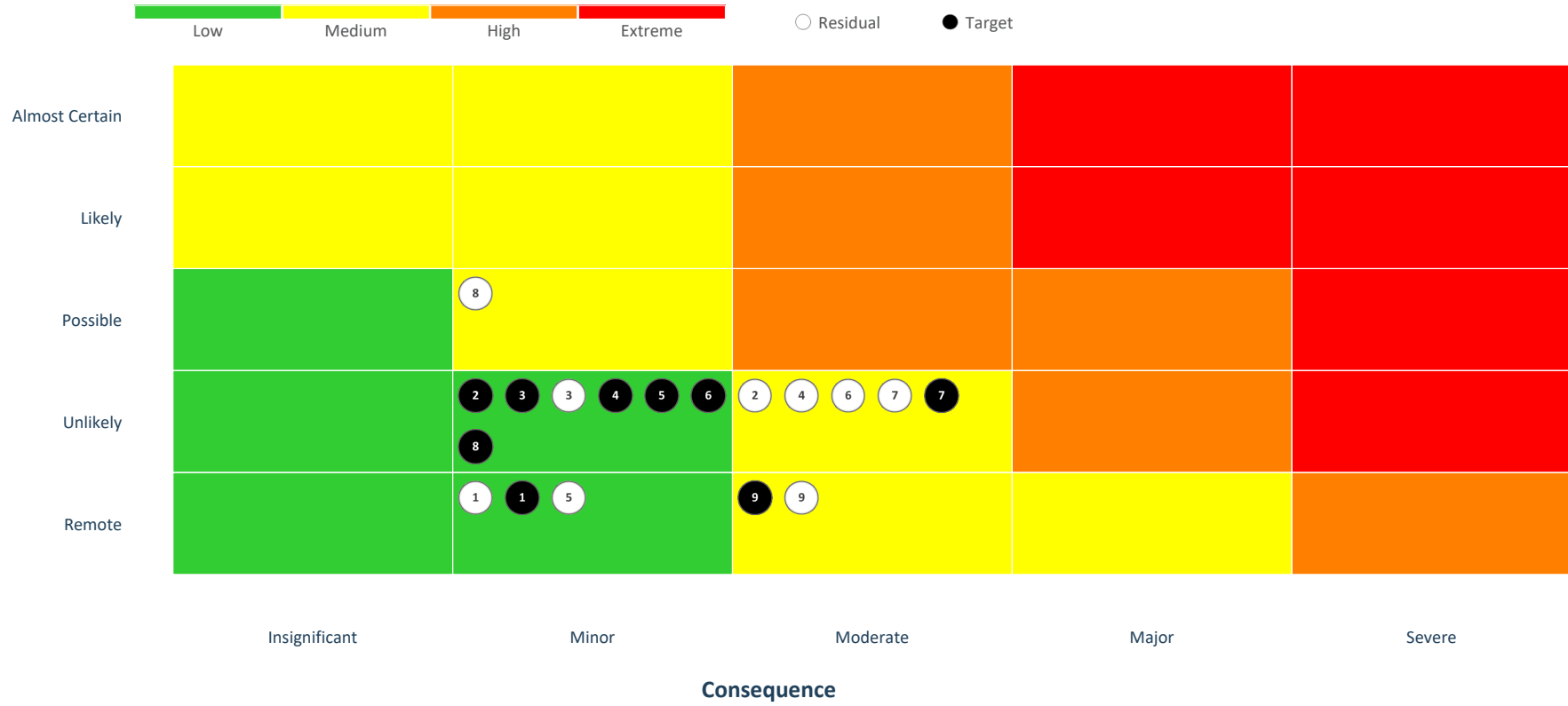
The Operational Risk Register includes risks that could affect the City's day-to-day operations and service delivery. These risks are more specific and typically relate to the internal processes, systems, and procedures that support the City's functions. For instance, operational risks might involve IT system failures and/ or process change.

All 'high' and 'extreme' rated (residual) risk items within the City's Operational Risk Register are presented. High and extreme risks are those that could have severe consequences on the City's operations if they materialise. These risks are prioritised for immediate action and close monitoring to minimise disruption and ensure resilience.

Strategic Risk Register



HEATMAP



RISK SUMMARY

Strategic Risk

No.	Risk Title	Residual	Target	Trend
1	SR2 - Monitoring of financial ratios Risk Review Comments: Long Term Financial Plan has been completed in June 2024 and the asset ratio target indicate the 80% target will be achieved by 2034	Low	Low	
2	SR6 - Maintain level of service of City assets Risk Review Comments: Risk assessments and amended controls have been reviewed. The revised Long Term Financial Plan has been approved by Council and reflects current levels of service. As part of the current review of the SCP, Council will have the opportunity to influence levels of service going forward.	Medium	Low	
3	SR12 - Ensuring compliance with Work Health and Safety (WHS) legislation and associated regulations Risk Review Comments: As of the 31 March 2024, the transition period for the new WHS legislation ended, the City undertook several projects to ensure the City is compliant with the new legislation. Updating and implementing amendments to the WHS framework to achieve the strategic outcomes of this framework. Whilst the City has assessed and reviewed its documentation and processes against the new WHS legislation and this has been implemented across the City, (now considered as business as usual), moving forward there is a requirement to ensure that workers are adhering to and applying these updates. Ensuring this compliance is on-going strategic risk that needs to be mitigated.”	Low	Low	
4	SR17 - State Government Waste Avoidance and Resource Recovery Strategy 2030 requirement for 3-bin FOGO waste systems to be implemented across Perth and Peel by 2025 Risk Review Comments: The Feasibility Assessment project has been completed, the Feasibility Assessment Report was endorsed by the Council at the Ordinary Council Meeting on 28 June 2023, with the recommendations adopted. The recommendation to implement a 3-bin GO service in 2024/25 is currently being progressed. Project planning is complete, and project implementation is underway. Bin delivery to households is scheduled for May 2025.	Medium	Low	
5	SR18 - Community engagement practices Risk Review Comments: The City has heightened its levels and frequency of engagement with the community. While there are inherent risk associate with community engagement practices, it's important to note that the overall risk in this area has decreased due to greater transparency and increased community involvement in decisions that affect their lives. Risk mitigation actions now include the review of the City's Engagement Policy, currently underway.	Low	Low	

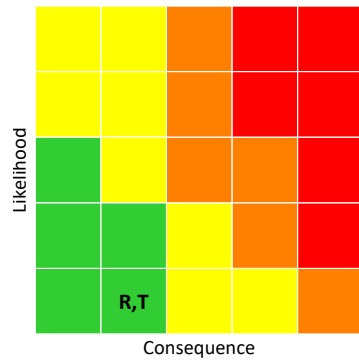
No.	Risk Title	Residual	Target	Trend
6	SR25 - Impact of impending reform to the Retirement Villages Act 1992 on the City's ability to operate Banksia Park Retirement Estate	Medium	Low	
	<p>Risk Review Comments: A desk top review and understanding of the process other Local Governments have implemented when considering the long term service delivery of the Retirement Villages. Officers are developing a timeline for internal review. The City is continuing to monitor the impending changes as well as advice received and the City has requested the Department of Mines, Industry Regulation and Safety include the City as part of their consultation process. No further updates have been received. A bill containing the proposed amendments to the RV Act has yet to be prepared for introduction into Parliament. The City has completed a consolidation process for Callistemon Court Aged Persons Units to streamline all current agreements into one agreement. Included in the new agreement is intended to be a clause acknowledging that the City is presently considering the long-term future of the site given impending legislative changes in this area proposed by State Government. An agreement has now been reached and the City is awaiting execution by the Department of Communities and the Department of Communities will relinquish agreements in 2025 and 2030.</p>			
7	SR28 - Impact of mandated transition from Federal to State industrial relations (IR) system on 1 January 2025	Medium	Medium	
	<p>Risk Review Comments: The City's HR team continues to monitor the information being presented and attends information sessions. The City is currently on schedule to transition to the new requirement by 31 December 2024.</p>			
8	SR29 - Cyber security	Medium	Low	
	<p>Risk Review Comments: During the 2023/24 financial year, the City completed several significant cyber security projects and underwent required regulatory audits. Actively enhancing its cyber security awareness and capabilities, the City aims to effectively mitigate potential risks to the organisation.</p>			
9	SR30 - Business continuity in the event of a disaster relating to City of Kwinana infrastructure	Medium	Medium	
	<p>Risk Review Comments: The City's has undertaken training and workshops in relation to the City's Business Continuity Framework, the Audit and Risk Committee noted the City's Framework at its last meeting held in June 2024. The Business Continuity Framework will continue to be monitored and updated on an as required basis. Scope of work are being developed to engage a training provider to undertake a exercise of the City's Crisis Management Plan.</p>			

RISK OVERVIEW

Strategic Risk

SR2	Monitoring of financial ratios		
Risk Categories: Financial, ICT, Assets/Infrastructure	Responsible Person: Chief Financial Officer	Last Reviewed Date: 16 Sep, 2024	Next Review Date: 01 Dec, 2024

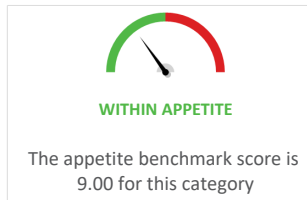
Individual Heatmap



- R Residual Risk Assessment
- T Target Risk Assessment

Effectiveness of control	
R	Substantially Effective

Risk Appetite



Causes

- Inadequate asset sustainability practices

Consequences

- Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, boat ramps and all other assets and their associated lifecycle from procurement to maintenance and ultimate disposal.

Risk Review Comments: Long Term Financial Plan has been completed in June 2024 and the asset ratio target indicate the 80% target will be achieved by 2034

Residual Controls

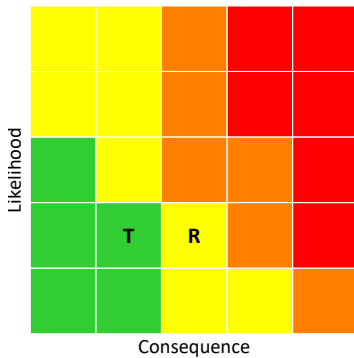
Control Title	Control Owner	Control Effectiveness	Next Review Date
2022-2041 Long Term Financial Plan	Chief Financial Officer	Substantially Effective	30 Jun, 2025

Residual Solutions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Ensure that future budgets and LTFPs continue to increase asset renewal expenditure to bring the asset sustainability ratio to an acceptable level.	Chief Financial Officer	Completed	100	30 Jun, 2024

SR6	Maintain level of service of City assets		
Risk Categories: ICT, Assets/Infrastructure, Financial, Service Delivery	Responsible Person: Director City Infrastructure	Last Reviewed Date: 05 Sep, 2024	Next Review Date: 05 Jan, 2025

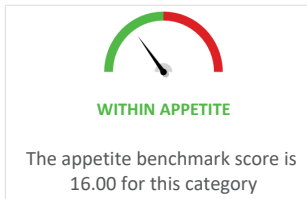
individual Heatmap



- R Residual Risk Assessment
- T Target Risk Assessment

Effectiveness of control	
R	Partially Effective

risk Appetite



Causes

- City infrastructure failure
- failure to fund asset renewal obligations and asset maintenance requirements over the long term
- Inadequate asset data
- Inadequate asset sustainability practices

Consequences

- Failure or reduction in service of infrastructure assets, plant, equipment or machinery. These include fleet, buildings, roads, playgrounds, boat ramps and all other assets and their associated life-cycle from procurement to maintenance and ultimate disposal. It does not include issues with the inappropriate use of the plant, equipment or machinery.
- Failure to fulfill statutory regulations or compliance requirements
- Financial burden of extended project implementation
- Poor financial reporting and investment to address the City's commitment to asset management

Risk Review Comments: Risk assessments and amended controls have been reviewed. The revised Long Term Financial Plan has been approved by Council and reflects current levels of service. As part of the current review of the SCP, Council will have the opportunity to influence levels of service going forward.

Residual Controls

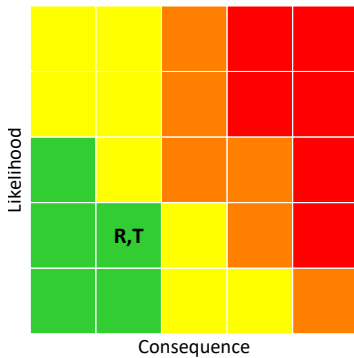
Control Title	Control Owner	Control Effectiveness	Next Review Date
Advocate to maintain asset financial ratios in the annual report and the My Council Website	Director City Infrastructure	Partially Effective	05 Sep, 2025
Asset Management Plans (to be reviewed by Dec 2024)	Manager Asset Management Services	Partially Effective	05 Dec, 2024
Prioritisation of asset management and accurate planning of works.	Manager Asset Management Services	Substantially Effective	08 Sep, 2025
Provide updated financial data for asset valuation and financial ratios	Manager Asset Management Services	Partially Effective	08 May, 2025

Residual Solutions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Asset Management Plans	Manager Asset Management Services	Completed	100	30 Nov, 2024
Petition IPWEA to advocate to retain financial ratios in the annual report and MY Council website	Director City Infrastructure	Completed	100	23 Jan, 2023
Provide asset financial data	Manager Asset Management Services	Completed	100	31 Aug, 2023
Review systems associated with prioritisation of asset management and accurate planning of works	Manager Asset Management Services	Completed	100	30 Nov, 2023

SR12	Ensuring compliance with Work Health and Safety (WHS) legislation and associated regulations		
Risk Categories: Legislative Compliance	Responsible Person: Manager Human Resources	Last Reviewed Date: 16 Sep, 2024	Next Review Date: 30 Oct, 2024

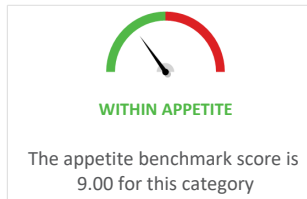
Individual Heatmap



- R Residual Risk Assessment
- T Target Risk Assessment

Effectiveness of control	
R	Substantially Effective

Risk Appetite



Causes

- Changes to legislative requirements by State Government
- Departments/teams are not adhering to the WHS documentation and processes.
- Departments/teams not updating their risk assessments to align with WHS documentation.

Consequences

- Financial loss to the City
- Negative reputation from bad publicity
- New legislative obligations imposed on the City
- Non-compliance to WHS legislation

Risk Review Comments: As of the 31 March 2024, the transition period for the new WHS legislation ended, the City undertook several projects to ensure the City is compliant with the new legislation. Updating and implementing amendments to the WHS framework to achieve the strategic outcomes of this framework.

Whilst the City has assessed and reviewed its documentation and processes against the new WHS legislation and this has been implemented across the City, (now considered as business as usual), moving forward there is a requirement to ensure that workers are adhering to and applying these updates. Ensuring this compliance is on-going strategic risk that needs to be mitigated."

Residual Controls

Control Title	Control Owner	Control Effectiveness	Next Review Date
City of Kwinana Safety and Wellbeing Strategy 2024-2026	Manager Human Resources	Substantially Effective	30 Jun, 2026
Hazards Guidelines	Manager Human Resources	Partially Effective	31 Dec, 2024
LGIS/WorkSafe Audit	Manager Human Resources	Substantially Effective	28 Feb, 2025
Strategic Work Health Safety Committee	Manager Human Resources	N/A	30 Jun, 2025
WHS Committee	Manager Human Resources	Substantially Effective	01 Jul, 2025
WHS Framework	Manager Human Resources	Substantially Effective	31 Dec, 2024
Work Health and Safety (WHS) Regulations and advice from WALGA/LGIS and other associated governing bodies.	Manager Human Resources	Substantially Effective	30 Jun, 2025
Work Health and Safety Training	Manager Human Resources	Substantially Effective	31 Mar, 2025

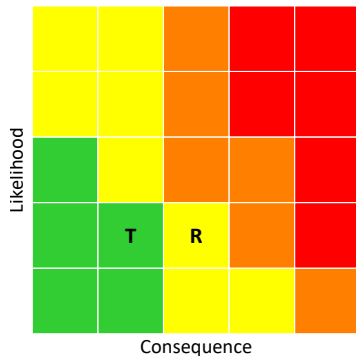
Residual Solutions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Continue to deliver training for key staff (including induction, where appropriate)	Manager Human Resources	Completed	100	31 Mar, 2024

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Implement actions identified in GAP analysis.	Manager Human Resources	Completed	100	31 Mar, 2023
Implement new Strategic Work Health and Safety Committee	Manager Human Resources	Completed	100	19 Apr, 2023
Monitor implementation of Regulations and WALGA advice	Manager Human Resources	Completed	100	03 Nov, 2022
Review, update, and implement the actions of the City of Kwinana Health and Wellbeing Strategy 2024 – 2026.	Manager Human Resources	Completed	100	30 Apr, 2024
Undertake the roll out of new WHS documentation to all teams within the City, advising them of the changes and their requirements	Manager Human Resources	In Progress	80	30 Dec, 2024

SR17	State Government Waste Avoidance and Resource Recovery Strategy 2030 requirement for 3-bin FOGO waste systems to be implemented across Perth and Peel by 2025		
Risk Categories: Legislative Compliance, Reputation/Image	Responsible Person: Manager Environment and Health Services	Last Reviewed Date: 16 Sep, 2024	Next Review Date: 30 Dec, 2024

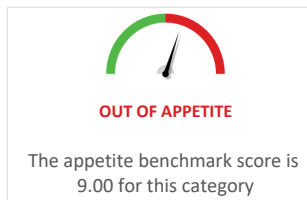
Individual Heatmap



- R Residual Risk Assessment
- T Target Risk Assessment

Effectiveness of control	
R	Partially Effective

Risk Appetite



Causes

- Change to the City's obligations by State Government Strategy and supporting legislation

Consequences

- Financial implication estimated at \$1.2m additional expenditure per annum to implement FOGO system compared to the GO system
- Non-compliance with State Government direction
- Reputation to State Government, other Local Governments and the public may be diminished.

Risk Review Comments: The Feasibility Assessment project has been completed, the Feasibility Assessment Report was endorsed by the Council at the Ordinary Council Meeting on 28 June 2023, with the recommendations adopted. The recommendation to implement a 3-bin GO service in 2024/25 is currently being progressed. Project planning is complete, and project implementation is underway. Bin delivery to households is scheduled for May 2025.

Residual Controls

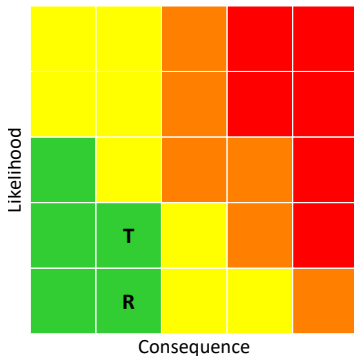
Control Title	Control Owner	Control Effectiveness	Next Review Date
City of Kwinana Waste Plan 2021-25	Manager Environment and Health Services	Substantially Effective	30 Jun, 2025
Feasibility assessment of implementing a 3-bin system.	Manager Environment and Health Services	Partially Effective	30 Jun, 2025
Implement 3-Bin GO system in 2024/25	Manager Environment and Health Services	Partially Effective	30 Jun, 2025

Residual Solutions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Assess initial viability of 3-bin system with Energy from Waste supply contract	Manager Environment and Health Services	Completed	100	16 Apr, 2021
Commit to feasibility assessment through adoption of City of Kwinana Waste Plan 2021-25	Manager Environment and Health Services	Completed	100	10 Mar, 2021
Implement 3-bin GO service	Manager Environment and Health Services	In Progress	30	30 Sep, 2025
Participate in FOGO (Market) Feasibility for Perth and Peel Regions coordinated through Rivers Regional Council	Manager Environment and Health Services	Completed	100	31 Dec, 2022
Scope, procure and undertake City of Kwinana 3-bin feasibility assessment to determine optimal future delivery option	Manager Environment and Health Services	Completed	100	30 Jun, 2023

SR18	Community engagement practices		
Risk Categories: Reputation/Image, Financial, Legislative Compliance, Service Delivery	Responsible Person: Coordinator Engagement and Place	Last Reviewed Date: 15 May, 2024	Next Review Date: 30 Mar, 2025

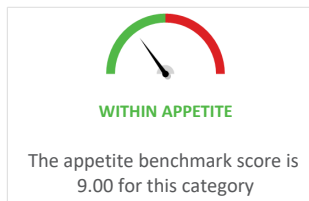
Individual Heatmap



R Residual Risk Assessment
T Target Risk Assessment

Effectiveness of control
R Substantially Effective

Risk Appetite



Causes

- Failure to maintain effective working relationships with the community and stakeholders, including media, businesses, agencies, organisations, community groups, government officials and/or Elected Members, due to ineffective communication, relationship management, partnering, consultation and other engagement practices.

Risk Review Comments: The City has heightened its levels and frequency of engagement with the community. While there are inherent risk associate with community engagement practices, it's important to note that the overall risk in this area has decreased due to greater transparency and increased community involvement in decisions that affect their lives. Risk mitigation actions now include the review of the City's Engagement Policy, currently underway.

Consequences

- Financial burden of extended project implementation
- Inadequate analysis, design, delivery and/or status reporting of change initiatives, resulting in additional expenses, time requirements of scope changes
- Potential risk to organisational reputation
- Providing inadequate advice/information
- Relationship damage with key stakeholder groups

Residual Controls

Control Title	Control Owner	Control Effectiveness	Next Review Date
City advisory groups	Manager Community Engagement	Substantially Effective	03 Sep, 2025
Council Reports and Project Planning Process	Manager Community Engagement	Substantially Effective	09 Sep, 2025
Cross-functional championing team	Manager Community Engagement	Substantially Effective	08 Sep, 2025
Engagement Framework	Manager Community Engagement	Substantially Effective	09 Sep, 2025
Engagement Policy	Manager Community Engagement	Partially Effective	30 Sep, 2025
Love My Kwinana (Online Engagement Platform)	Coordinator Engagement and Place	Partially Effective	08 Sep, 2025
Training and Certification	Manager Community Engagement	Substantially Effective	09 Sep, 2025

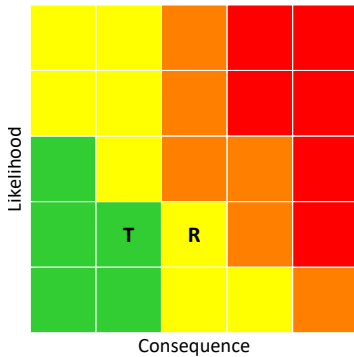
Residual Solutions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Engagement Policy review	Coordinator Engagement and Place	In Progress	25	31 Jul, 2024
Establish a campaign for staff encouraging use and update engagement platform, Love My Love Kwinana.	Manager Community Engagement	Completed	100	01 Jun, 2024
Establish staff awareness campaign in relation to the new Engagement Policy.	Coordinator Engagement and Place	Completed	100	31 Oct, 2023

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Implement the City's Engagement Policy, establishing the principles for engagement between the City, stakeholders and the wider community.	Coordinator Engagement and Place	Completed	100	30 Nov, 2023

SR25	Impact of impending reform to the Retirement Villages Act 1992 on the City's ability to operate Banksia Park Retirement Estate		
Risk Categories: Legislative Compliance, Financial, Reputation/Image	Responsible Person: Director City Life	Last Reviewed Date: 16 Sep, 2024	Next Review Date: 15 Dec, 2024

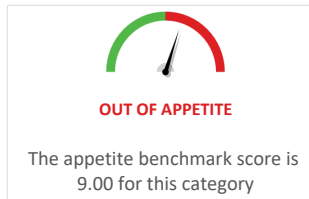
Individual Heatmap



- R Residual Risk Assessment
- T Target Risk Assessment

Effectiveness of control	
R	Substantially Effective

Risk Appetite



Causes

- Changes to legislation

Consequences

- Banksia Park being potentially financially non-viable to the City
- Non-compliance with legislation

Risk Review Comments: A desk top review and understanding of the process other Local Governments have implemented when considering the long term service delivery of the Retirement Villages.

Officers are developing a timeline for internal review.

The City is continuing to monitor the impending changes as well as advice received and the City has requested the Department of Mines, Industry Regulation and Safety include the City as part of their consultation process. No further updates have been received. A bill containing the proposed amendments to the RV Act has yet to be prepared for introduction into Parliament.

The City has completed a consolidation process for Callistemon Court Aged Persons Units to streamline all current agreements into one agreement. Included in the new agreement is intended to be a clause acknowledging that the City is presently considering the long-term future of the site given impending legislative changes in this area proposed by State Government. An agreement has now been reached and the City is awaiting execution by the Department of Communities and the Department of Communities will relinquish agreements in 2025 and 2030.

Residual Controls

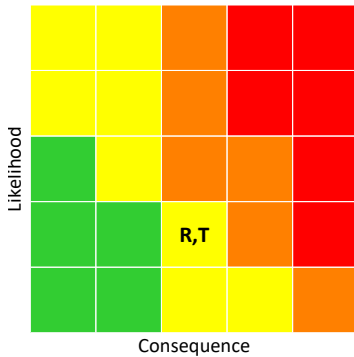
Control Title	Control Owner	Control Effectiveness	Next Review Date
Monitor the progress of impending changes to the Retirement Villages Act 1997 (WA), including reviewing the adequacy of existing City resources to meet additional legislative obligations imposed as well as assessing associated risks.	Director City Life	Substantially Effective	01 Sep, 2025

Residual Solutions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Monitor and progress to review of the 'Decision Regulatory Impact Statement' (DRIS) recommending amendments to the Retirement Villages Act 1997 to determine appropriate City response.	Director City Life	In Progress	10	31 Dec, 2024
Review impact of the new DRIS amendments to determine the appropriate City response.	Director City Life	Completed	100	31 Dec, 2024

SR28	Impact of mandated transition from Federal to State industrial relations (IR) system on 1 January 2025		
Risk Categories: Financial, Legislative Compliance, Reputation/Image	Responsible Person: Manager Human Resources	Last Reviewed Date: 20 May, 2024	Next Review Date: 01 Jan, 2025

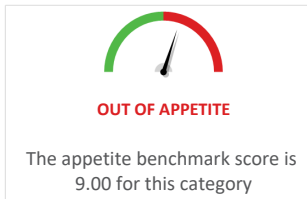
Individual Heatmap



- R Residual Risk Assessment
- T Target Risk Assessment

Effectiveness of control	
R	Partially Effective

Risk Appetite



Causes

- Changes to legislation

Consequences

- Financial loss to the City
- Loss of workforce
- Negative reputation from bad publicity
- Non-compliance with legislation

Risk Review Comments: The City's HR team continues to monitor the information being presented and attends information sessions. The City is currently on schedule to transition to the new requirement by 31 December 2024.

Residual Controls

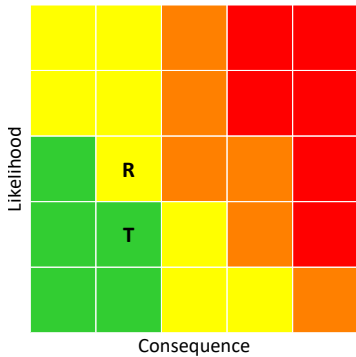
Control Title	Control Owner	Control Effectiveness	Next Review Date
Engagement of HR Strategic Project Officer to support the City's transition.	Manager Human Resources	Fully Effective	31 Dec, 2024
Ensuring the City's compliance with amendments to Industrial Relations Act 1979 and Minimum Conditions of Employment Act 1993.	Manager Human Resources	Partially Effective	01 Jan, 2025

Residual Solutions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Consultation to take place with workforce regarding transition	Manager Human Resources	Completed	100	06 May, 2023
Engagement of HR Strategic Project Officer	Manager Human Resources	Completed	100	27 Nov, 2024
HR Strategic Project Officer to undertake review of all relevant City policies and procedures.	Manager Human Resources	In Progress	95	01 Jan, 2025
Submit an application for the HR Strategic Project Officer to sit on WALGA State industrial relations working group	Manager Human Resources	Completed	100	31 Dec, 2024

SR29	Cyber security		
Risk Categories: ICT, Assets/Infrastructure, Financial, Reputation/Image, Service Delivery	Responsible Person: Manager Information Technology	Last Reviewed Date: 05 Sep, 2024	Next Review Date: 08 Jan, 2025

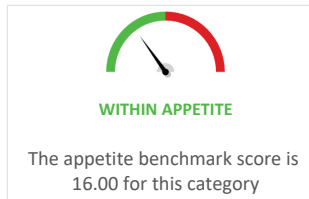
Individual Heatmap



R Residual Risk Assessment
T Target Risk Assessment

Effectiveness of control
R Substantially Effective

Risk Appetite



Causes

- Improper use of City assets (photocopier etc)
- Failure to follow practices and procedures
- Inadequate processes and procedures from the City
- Lack of officer training
- Malicious actors blocking access or taking down city systems
- Malicious actors gaining access to City Data

Risk Review Comments: During the 2023/24 financial year, the City completed several significant cyber security projects and underwent required regulatory audits. Actively enhancing its cyber security awareness and capabilities, the City aims to effectively mitigate potential risks to the organisation.

Consequences

- Compromised IT systems and reduced ability to provide services for staff
- Exposure to negative publicity and legal liability
- Financial loss

Residual Controls

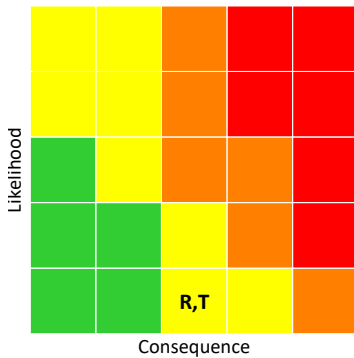
Control Title	Control Owner	Control Effectiveness	Next Review Date
Implementation of cyber security manual	Manager Information Technology	Substantially Effective	08 Jan, 2025
Network controls, including firewall, virus scan and SEIM monitoring system	Manager Information Technology	Substantially Effective	08 Jan, 2025
Staff cyber security training	Manager Information Technology	Substantially Effective	08 Apr, 2025
Testing of efficacy of network resiliency through penetration testing.	Manager Information Technology	Fully Effective	08 Apr, 2025

Residual Solutions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
2024 review of the City's Cyber Security Manual	Manager Information Technology	Completed	100	01 Dec, 2024
Implement penetration testing	Manager Information Technology	Completed	100	31 Jul, 2024
Undertaking Extended Detection and Response training with IT staff	Manager Information Technology	Completed	100	31 Mar, 2024

SR30	Business continuity in the event of a disaster relating to City of Kwinana infrastructure		
Risk Categories: Service Delivery, Financial, ICT, Assets/Infrastructure, Reputation/Image	Responsible Person: Manager Governance and Legal	Last Reviewed Date:	Next Review Date: 12 Aug, 2025

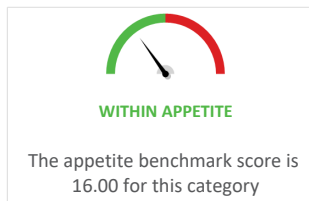
Individual Heatmap



R Residual Risk Assessment
T Target Risk Assessment

Effectiveness of control
R Substantially Effective

Risk Appetite



Causes

- Cyber Security Breach
- Non-operational building
- Pandemic

Consequences

- Breach of legislative obligations
- Closure of facilities or other infrastructure
- Interrupted services delivery
- Loss of assets
- Loss of productivity due to unavailability of systems

Risk Review Comments: The City's has undertaken training and workshops in relation to the City's Business Continuity Framework, the Audit and Risk Committee noted the City's Framework at its last meeting held in June 2024. The Business Continuity Framework will continue to be monitored and updated on an as required basis. Scope of work are being developed to engage a training provider to undertake a exercise of the City's Crisis Management Plan.

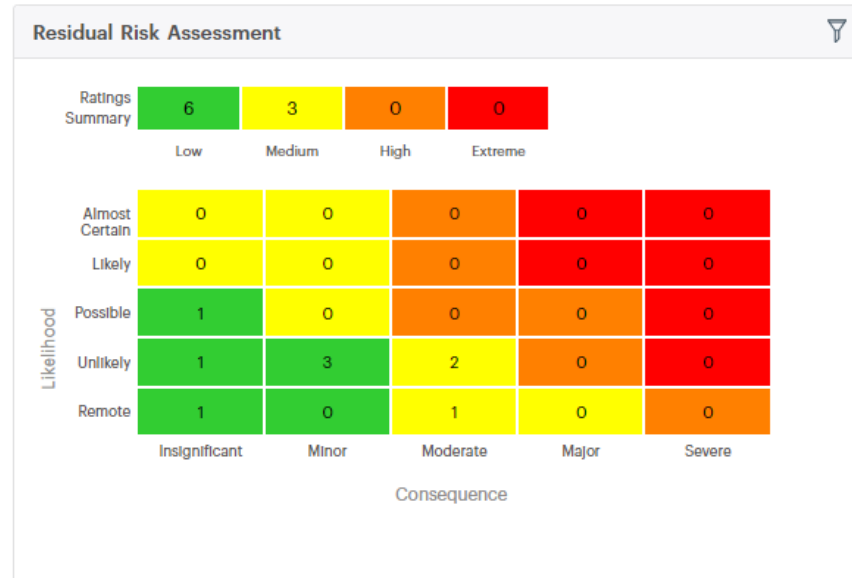
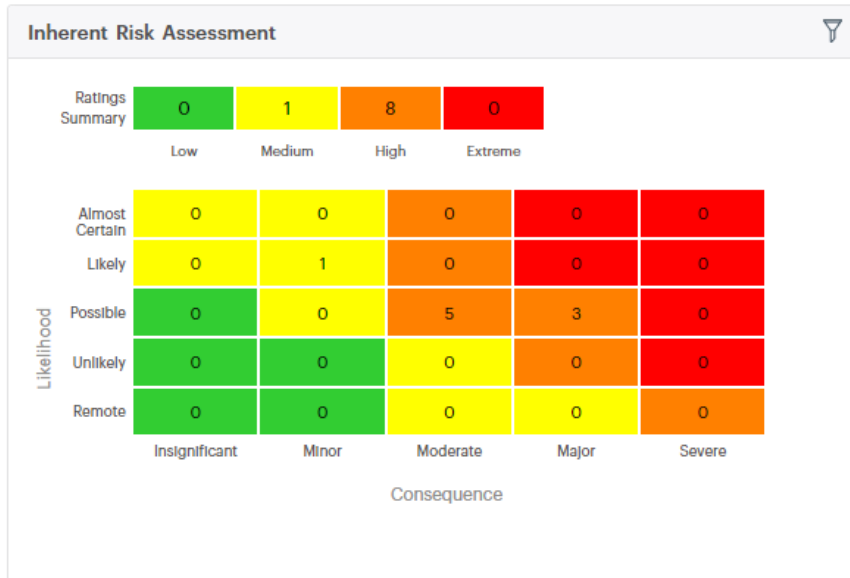
Residual Controls

Control Title	Control Owner	Control Effectiveness	Next Review Date
Business Continuity Management Framework	Governance and Risk Officer	N/A	31 Dec, 2024
Business Continuity Plan	Governance and Risk Officer	N/A	31 Dec, 2024
Crisis Management Plan	Governance and Risk Officer	N/A	31 Dec, 2024
IT Disaster Recovery Plan	Manager Information Technology	N/A	31 Dec, 2024
Local Business Continuity Plans	Governance and Risk Officer	N/A	30 Jun, 2025

Residual Solutions

Risk Action Title	Responsible Officer	Action Status	% Completed	End Date
Crisis Management Testing and Training	Manager Governance and Legal	In Progress	10	30 Jun, 2025

Operational Risk Register



*Note - There are presently no extreme or high (residual) operational risk items to report.

8.5 COUNCIL POLICY REVIEW - INVESTMENT POLICY

SUMMARY

As part of the City's policy review process, and in accordance with the recommendations arising from the City's 2023 Financial Management Review, the City's Investment Policy (**Policy**) underwent a thorough review and was submitted to the Audit and Risk Committee's (**Committee**) meeting of 10 June 2024 for consideration.

On the basis of the Committee's recommendation, the Policy has been amended and the maximum percentage of investment with Bendigo Bank reverted to 45% (down from 60%) for the purpose of reducing risk and increase diversification.

The diversification table within the Policy, which outlines maximum investment limits based on S&P ratings and types of institutions, is considered to be appropriate in terms of ensuring a spread of risk and preventing over-investment in any one entity.

A percentage based maximum limit, rather than a specified sum, has been retained in order to allow greater flexibility and risk management.

The Policy is provided at Attachment A for the Committee's review.

OFFICER RECOMMENDATION

That in accordance with the *Local Government Act 1995*, the Audit and Risk Committee note and provide comment on the amended City of Kwinana Investment Policy as detailed in Attachment A.

VOTING REQUIREMENT

Simple majority.

DISCUSSION

At the 10 June 2024 Audit and Risk Committee meeting, City officers presented the reviewed Investment Policy which proposed the following changes:

- as per the Regulation 5 audit recommendations from Macri Partners, the two tables under Portfolio Credit Framework have been combined and percentages (%) refer to *Maximum % of investment with any one institution* and *Maximum % of Total Portfolio* to clearly articulate the investment percentages expected per bank and per risk rating type. The combined table has removed the anomaly that currently exist and has been benchmarked to other similar local governments;
- additional information has been added under Environmentally and Socially Responsible Investment to ensure that the City is considering lending to eligible non-fossil fuels lending banks;
- under Portfolio Credit Framework - the percentages per bank have been expanded as majority of eligible non-fossil fuels lending banks have a risk rating of BBB;
- the maximum percentage of investment with any one institution for BBB rated banks has increased from 10% to 20%;

- maximum percentage of ‘Total Portfolio for BBB’ rated banks has increased from 20% to 40%. This will encourage investment in eligible non-fossil fuels lending banks while still permitting an acceptable level of risk;
- the percentage of investment in Bendigo Bank Kwinana Community Branch has been increased from 40% to 60% to encourage local investment and to recognise the Kwinana branch’s contribution to the community;
- Under Reporting and Performance Monitoring there is an additional requirement to report on non-fossil fuel investment in the monthly financial report as part of the City’s Sustainable Framework initiatives; and
- Other minor formatting changes were made to align with current policy formatting.

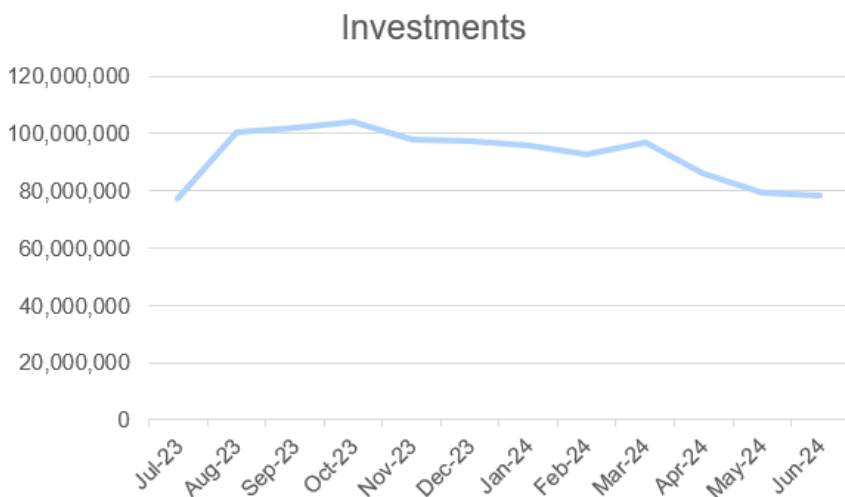
The Policy was deferred at the meeting and further changes were recommended as follows:

- consideration be given to diversification of investments as it is a mitigation against financial loss;
- a maximum financial amount be set in monetary terms rather than a percentage that can vary; and
- 60% of a portfolio invested in any one investment is not good credential management.

Due considerations were given to the recommendation requested and the following comments are provided:

Max amount to be set in amounts instead of percentage

The City has reviewed this recommendation and found that this will not be possible as the City’s investments fluctuates during the year, mainly driven by peaks and troughs of rates and other revenue. This is indicated by the following graph which depicts the City’s investment portfolio for the 2024 financial year:



A percentage-based maximum limit for investments offers greater flexibility, scalability, and risk management. It ensures that the Policy stays relevant during periods of growth and fluctuation, protects against overexposure to individual institutions, and avoids the administrative burden of frequently adjusting a fixed monetary cap. This dynamic approach better reflects the financial realities of the City’s fluctuating investments, promoting sustainable and prudent growth over time.

The City therefore considers retaining the maximum percentage for investment is a more prudent methodology as compared to including a maximum amount per institution.

60% investment in one entity

Consideration was given to the concern regarding increasing the investment percentage with Bendigo Bank from 45% to 60%. The City proposes to now revert to the original 45% as this will:

- reduce the risk of the City’s exposure to a single entity and could result in potential financial loss;
- allow diversification opportunities with other banks and spreading the risk over different type of institutions; and
- increase stability by diversifying the City’s investment portfolio as this will reduce volatility on relying on a single institution.

Diversification

The updated table below reflects the reduced maximum percentage for Bendigo Bank from 60% to 45%, aligning with the efforts to diversify and mitigate risk by lowering exposure to a single institution.

The current diversification table outlines maximum investment limits based on the S&P ratings and the current structure sufficiently spreads risk and prevents over-investment in any one entity. Some of the strengths of the current portfolio structure include:

- **Government Guaranteed Deposits:** Having 100% of the portfolio allowable in government-backed investments provides a highly secure option with virtually no risk; and
- **S&P Ratings-Based Limits:** The table below appropriately lowers maximum exposure limits as credit ratings decrease. For example, AAA-rated institutions can hold up to 45% of the portfolio, but BBB-rated institutions are capped at 20%, reflecting the increased risk of lower-rated entities.

S&P Long Term Rating	S&P Short Term Rating	Maximum % with any one Institution	Maximum % of Total Portfolio
Government Guaranteed Deposits	Government Guaranteed Deposits	100%	100%
Bendigo Bank Kwinana Community Branch	Bendigo Bank Kwinana Community Branch	45%	100%
AAA	A-1+	45%	100%
AA	A-1+	45%	100%
A	A-1	25%	60%
BBB	A-2	20%	40%

Reporting and Governance

On a monthly basis, the investment portfolio is monitored and reported to council to ensure compliance with the above criteria and ensures accountability and transparency. This process keeps the organisation proactive in managing financial risks and optimizing investment outcomes.

The City of Kwinana’s Register of Delegated Authority specifies, at delegation 1.1.16, the following conditions which must be complied with when exercising the power to invest:

- a. All investment activity must comply with reg.19C of the *Local Government (Financial Management) Regulations 1996* and all Council policies;
- b. A report detailing the investment portfolio’s performance, exposures and changes since the last reporting, is to be provided as part of the Monthly Financial Reports;

- c. Procedures are to be systematically documented and retained in accordance with the Record Keeping Plan and must include references that enable recognition of statutory requirements and assign responsibility for actions to position titles; and
- d. Procedures are to be administratively reviewed for continuing compliance and confirmed as 'fit for purpose' and subsequently considered by the Audit and Risk Committee at least once within every 3 financial years.

STRATEGIC IMPLICATIONS

There are no strategic implications as a result of this proposal.

SOCIAL IMPLICATIONS

There are no social implications as a result of this proposal.

LEGAL/POLICY IMPLICATIONS

Local Government Act 1995

2.7. Role of council

- (2) *Without limiting subsection (1), the council is to —*
 - (a) *oversee the allocation of the local government's finances and resources; and*
 - (b) *determine the local government's policies.*

FINANCIAL/BUDGET IMPLICATIONS

There are no financial implications that have been identified as a result of this report or recommendation.

ASSET MANAGEMENT IMPLICATIONS

No asset management implications have been identified as a result of this report or recommendation.

ENVIRONMENTAL/PUBLIC HEALTH IMPLICATIONS

No environmental or public health implications have been identified as a result of this report or recommendation.

COMMUNITY ENGAGEMENT

There are no community engagement implications as a result of this report or recommendation.

ATTACHMENTS

- A. **Policy - Investment Policy - 2024 DRAFT** [↓](#)



Council Policy

Investment Policy



Legislation/local law requirements	<i>Local Government Act 1995</i> s.2.7 – Role of council s.6.14 – Power to invest
Relevant Delegation	See Delegated Authority Register
Related policy procedures and documents	

Introduction

The City of Kwinana will invest surplus funds in accordance with the Local Government Act and Council Delegations.

Purpose

To provide a framework for the investment of the City's surplus funds that seeks to maximise the return to the City whilst having due consideration for the risk and security of each investment and social and environmental expectations are met; and ensures that the City's liquidity requirements are being satisfied.

Objective

The purpose of this policy is to

- Ensure the City takes a conservative approach to the investment of funds but will add value through prudent investment.
- Maximise investment returns.
- Achieve a high level of security of the overall portfolio by using recognised rating criteria.
- Maintain an adequate level of diversification.
- Give preference to investments with institutions that are assessed to have a higher social and environmental responsibility rating.
- Cash flow requirements are maximised without incurring penalties.

Scope

This policy applies to all of the City's investments.

Policy Provisions

Definitions

Authorised Deposit Taking Institution (ADI) means the same as that defined in Regulation 19C(1) of the Local Government (Financial Management) Regulations 1996 as amended.

counterparty means the other party that participates in a financial transaction.

credit rating means an estimate of overall ability and willingness of an entity or person to fulfil financial obligations in full and on time, based on previous financial dealings. Ratings are opinions issued by credit rating agencies.

Environmentally Responsible Investments include (but are not limited to) resource efficiency, especially water and energy (including reducing greenhouse gas emissions and renewable energy), production of environmentally friendly products, recycling and waste reduction.

short-term in relation to investments means it matures in 12 months or less.

long-term in relation to investments means it matures in excess of 12 months.

Socially Responsible Investments include (but are not limited to) fair trade and provision of a living wage, equal opportunity employers and those that support the values of communities, indigenous peoples, and minorities, provision of housing, especially affordable housing, health and safety, animal welfare.

Policy

All of the City's investments will be managed in accordance with the following framework.

1. Prudent Person Standard

The investment will be managed with the care, diligence, and skill that a prudent person would exercise. Officers are to manage the investment portfolios to safeguard the portfolios in accordance with the spirit of this Investment Policy, and not for speculative purposes.

2. Ethics and Conflicts of Interest

Officers shall refrain from personal activities that would conflict with the proper execution and management of the City's investment portfolio. This policy requires Officers to disclose any conflict of interest to the Chief Executive Officer.

3. Authorised Investments

Authorised Investments shall be limited to Australian currency denominated:

- Deposits with Authorised Deposit Taking Institutions (ADIs) as defined in section 5 of the Banking Act 1959 (Commonwealth) with a Standard and Poor's (or its equivalent)
- credit rating of BBB or higher (subject to overall limits);
- Western Australian Treasury Corporation (WATC);
- term not exceeding 3 years;
- Bonds that are guaranteed by the Commonwealth Government or a State or Territory and which have a term not exceeding three years.

4. Prohibited Investments

4.1. This Investment Policy prohibits any investment carried out for speculative purposes including:

- Derivative based instruments
- Principal only investments or securities that provide potentially nil or negative cash flow; and
- Stand-alone securities issued that have underlying futures, options, forward contracts and swaps of any kind.

4.2. This policy also prohibits the use of leveraging (borrowing to invest) of an investment.

4.3. This policy also requires that the City may not do any of the following when investing money, as per 19C of the Local Government (Financial Management) Regulations 1996:

- Deposit with an institution except an authorised institution
- Deposit for a fixed term of more than 3 years
- Invest in bonds that are not guaranteed by the Commonwealth Government or a State or Territory government
- Invest in bonds with a term to maturity of more than 3 years; and
- Invest in a currency other than Australian Dollars (AUD).

5. Risk Management Guidelines

5.1. Portfolio Credit Framework

To control the credit quality on the investment portfolio, the following credit framework limits the percentage of the portfolio exposed to any particular credit rating category.

Exposure to an individual counterparty/institution will be restricted by its credit rating so that single entity exposure is limited, as detailed in the table below:

S&P Long Term Rating	S&P Short Term Rating	Maximum % with any one Institution	Maximum % of Total Portfolio
Government Guaranteed Deposits	Government Guaranteed Deposits	100%	100%
Bendigo Bank Kwinana Community Branch	Bendigo Bank Kwinana Community Branch	45%	100%
AAA	A-1+	45%	100%
AA	A-1+	45%	100%
A	A-1	25%	60%
BBB	A-2	20%	40%

If any of the investments within the portfolio are subject to a credit rating downgrade such that the portfolio credit percentages are no longer compliant with the Investment Policy, or there is a review of this policy, the investment will be divested as soon as practicable.

5.2. Term to Maturity Framework

The investment portfolio is to be invested within the following maturity constraints:

Investment Type	Term to Maturity
ADI Deposits	≤ 3 years
State/Commonwealth Government Bonds	≤ 3 years

5.3 Exceptions – Bendigo Bank – Kwinana Community Bank Branch. To recognise the contributions made to the community of Kwinana the following exceptions apply to the Bendigo Bank – Kwinana Community Bank Branch.

Under this policy Bendigo Bank - Kwinana Community Branch have the limitations provided for in section 5.1 Portfolio Credit Framework. The maximum exposure to the Bendigo Bank - Kwinana Community Bank Branch as a single entity/institution is limited to a maximum direct investment of 45%.

6. Professional Advice

- 6.1. The City may from time to time engage the services of suitably qualified investment professionals to provide assistance in investment strategy formulation, portfolio implementation and monitoring.
- 6.2. Any such advisor must be licensed by the Australian Securities and Investment Commission and be within the allocated budget. The advisor must be an independent person who has no actual or potential conflict of interest in relation to investment products being recommended and is free to choose the most appropriate product within the terms and conditions of this Investment Policy.
- 6.3. Any independent advisor engaged by the City is required to provide written confirmation that they do not have any actual or potential conflicts of interest in relation to the investments they are recommending or reviewing, including that they are not receiving any commissions or other benefits in relation to the investments being recommended or reviewed.

7. Reporting and Performance Monitoring

- 7.1. A monthly report will be provided to Council in conjunction with the monthly Statement of Financial Activity. The report will detail the investment portfolio in terms of performance, percentage exposure of total portfolio, maturity date and changes in market value.
- 7.2. Documentary evidence must be held for each investment and details thereof maintained in an Investment Register.
- 7.3. Certificates must be obtained from the financial institutions confirming the amounts of investments held on the City’s behalf as at 30 June.
- 7.4. The report will review exposure to fossil fuel investment risk.

8. Environmentally and Socially Responsible Investment

The investment should align to Council values through Environmentally Responsible Investments and Socially Responsible Investment, subject to meeting the other objectives of this policy.

The City will ensure its financial investments consider the reduction of fossil fuels, by investing with non-fossil fuel lending banks. The City will refer to the research of third-party bank services to determine eligible non-fossil fuels lending banks.

OFFICER USE ONLY

Officers may amend this section without council approval.

Responsible Team	Finance
Initial Council adoption	Date: 8 April 2009 Ref#: 473
Reviewed/amended	Date: 10 June 2024 Ref#: <CM Ref>
Next Review Date	Date: <next review date>
Policy Document Number	D12/63257[v6]

9 LATE AND URGENT BUSINESS

Note: In accordance with Clauses 3.13 and 3.14 of Council's Standing Orders, only items resolved by Council to be Urgent Business will be considered.

10 ANSWERS TO QUESTIONS WHICH WERE TAKEN ON NOTICE

11 CLOSE OF MEETING