

# Audit, Risk and Improvement Committee Meeting

20 November 2025

## Agenda

Notice is hereby given of an Audit, Risk and Improvement Committee Meeting to be held in Council Chambers, City of Kwinana Administration Centre commencing at 5:30 pm.

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](http://www.kwinana.wa.gov.au)



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## 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 ACKNOWLEDGEMENT OF 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 Nyoongar people and we pay our respects to their Elders past and present."*

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

**Apologies:**

Unknown at the time of issuing the Agenda.

**Leave of Absence previously approved:**

Deputy Mayor Barry Winmar.

## 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, 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
- included 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, RISK AND IMPROVEMENT COMMITTEE MEETING HELD ON 22 SEPTEMBER 2025**

#### **RECOMMENDATION**

**That the Minutes of the Audit, Risk and Improvement Committee Meeting held on 22 September 2025 be confirmed as a true and correct record of the meeting.**

## 8 REPORTS

### 8.1 WORK HEALTH AND SAFETY (WHS) STATISTICAL REPORT - 29 AUGUST 2025 - 31 OCTOBER 2025

#### DECLARATION OF INTEREST

There were no declarations of interest declared.

#### SUMMARY

The City of Kwinana is committed to ensuring a safe and healthy work environment for its employees, contractors, and the community. This commitment extends to ensuring the City's operations do not place the community at risk of injury, illness, or property damage.

This report includes Work Health and Safety (WHS) statistical data for the period 29 August 2025 to 31 October 2025, during which 11 incidents were reported, including 7 injuries and 2 public behaviour-related incidents. A summary of incident types and severity ratings is provided in **Attachment 8.1.1**.

#### OFFICER RECOMMENDATION

**That the Audit, Risk and Improvement Committee note and provide comment where appropriate on the City of Kwinana WHS Statistical data report detailed in Attachment 8.1.1**

#### VOTING REQUIREMENT

Simple majority

#### DISCUSSION

##### Summary of Statistical Data

During the reporting period of 29 August 2025 to 31 October 2025, 11 incidents were recorded across all directorates:

- 7 injury-related incidents (3 medical treatments, 2 first aid, 2 report only),
- 1 vehicle-related incident,
- 2 incidents involving public violence or inappropriate behaviour, and
- 1 equipment-related incident.

Breakdown by Directorate:

- City Life – 5 incidents
- City Infrastructure – 4 incidents
- City Development and Sustainability – 1 incident
- Office of the CEO – 1 incident.

Event severity (pre-controls) was assessed as:

- 1 high risk (pending confirmation)
- 7 medium risks
- 3 low risks.

During the preparation of this report, it was identified that the event severity (pre-controls) for the incident rated high risk was incorrectly applied. The incident was of a minor nature. The data entered into the City's incident reporting software will be amended through the investigation process.

The City continues to monitor and respond to all incidents through corrective actions, reviews, and where required, revised procedures. Visual summaries are provided in **Attachment 8.1.1**.

## **STRATEGIC IMPLICATIONS**

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

### **How does this proposal achieve the outcomes and strategic objectives?**

The outcomes and strategic objectives are achieved through a compliant and robust work health and safety framework.

## **SUSTAINABILITY FRAMEWORK**

### **Sustainability Guiding Principle**

8 - Integrated and Transparent Decision-making

### **Sustainability Priority Area**

7 - Innovation

### **How does this proposal achieve the guiding principle and priority area?**

Both the guiding principle and priority area is achieved through a compliant and robust work health and safety framework.

## **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**

1. ATTACHMENT 8 2 1 WHS Statistical Data Report Audit and Risk Commit [8.1.1 - 6 pages]



## 8.2 RISK MANAGEMENT REPORT

### DECLARATION OF INTEREST

There were no declarations of interest declared.

### SUMMARY

This report provides an update to the Audit, Risk and Improvement 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 at each Committee meeting and details all identified strategic risks as well as operational risks assessed as high or extreme (residual).

Since the last Audit, Risk and Improvement Committee meeting held on 22 September 2025, there have been no significant changes to the Strategic Risk Register. Only the required minor and tracking amendments have been undertaken to specific risk items.

The City wishes to inform the Committee that RiskWest has been engaged to conduct a comprehensive GAP analysis of the City's Strategic Risk Register. This initiative is designed to identify any discrepancies or areas for improvement ensuring that all strategic risks are appropriately captured, assessed, and managed in line with the City's Risk Management Framework. A workshop has been scheduled with the City's Leadership team for early December.

In addition to the above, the City has engaged RiskWest to undertake risk management training. To date, this training has been delivered to 45 key members of staff. Future training sessions are being scheduled to align with best practice for risk management, emphasizing the importance of identifying, assessing, and mitigating risks. This initiative seeks to enhance staff awareness of risk identification processes and the appropriate escalation of risk items to relevant officers. By fostering a comprehensive understanding of risk management principles, the City aims to ensure that risk considerations are embedded in all levels of decision-making, strategic and operational practices.

The City's Strategic Risk Register is provided at **Attachment 8.2.1** for noting and comment by the Committee.

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

### OFFICER RECOMMENDATION

**That the Audit, Risk and Improvement Committee note and provide comment where appropriate on the City of Kwinana Organisational Risk Register – Strategic Risks at Attachment 8.2.1.**

### VOTING REQUIREMENT

Simple majority

## DISCUSSION

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

Risks		Risk by Ratings (Inherent)		Risks by Ratings (Residual)	
Operational Risks	91	Extreme	6	Extreme	0
		High	55	High	0
		Medium	27	Medium	42
		Low	3	Low	49
Strategic	6	Extreme	1	Extreme	0
		High	4	High	0
		Medium	1	Medium	3
		Low	0	Low	3

The City's strategic risk register shows all six active strategic risks recorded for the City.

Of the 91 active operational risks recorded for the City, those that are recorded with a residual rating of 'high' or 'extreme' are presented to the Committee, presently there are nil.

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 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:

- Minimise the occurrence of serious injury or loss of life;
- Protect assets and resources, including natural and cultural;
- Meet legislative and compliance requirements;
- Minimise legal liability;
- Minimise disruption to operations and services;
- Minimise financial loss, including through theft or fraud;
- Improve the City's governance, management capability and accountability;
- Ensure an effective response to critical incidents effecting services and operations;
- Effective emergency response and event recovery; and
- Minimise potential damage to reputation.

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

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

- Review and consider Management’s risk management framework in line with Council’s risk appetite, which includes policies and procedures to effectively identify, treat and monitor significant risks, and regular reporting to the Council;
- Assist the Council to determine its appetite for risk;
- Review the principal risks that are determined by Council and Management, and consider whether appropriate action is being taken by Management to treat Council's significant risks;
- Assess the effectiveness of, and monitor compliance with, the risk management framework; and
- Consider any emerging risks trends and report these to Council where appropriate.
- To examine and consider the transfer of risk through an annual review of Council's insurances.

The City of Kwinana Risk Management 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		●		

**STRATEGIC IMPLICATIONS**

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

**SUSTAINABILITY FRAMEWORK**

**Sustainability Guiding Principle**

- 1 - Social Inclusion
- 8 - Integrated and Transparent Decision-making

**Sustainability Priority Area**

3 - Liveability

6 - Responsible Investment and Procurement

7 – Innovation

**How does this proposal achieve the guiding principle and priority area?**

This report helps support the City's Sustainability Framework by meeting the risk requirement of the City and ensuring services can be delivered appropriately and effectively.

**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**

1. Attachment - Risk Management Report - December 2025 [8.2.1 - 15 pages]

## 8.3 AUDIT ACTION LOG - PROGRESS REPORT

### DECLARATION OF INTEREST

There were no declarations of interest declared.

### SUMMARY

In accordance with Regulation 16 of the *Local Government (Audit) Regulations 1996*, one of the key functions of the Audit, Risk and Improvement Committee (Committee) is to assist Council in exercising due care, diligence, and skill in its oversight of the City of Kwinana's (City) internal and external audit processes.

To support this function, all areas for improvement identified through internal and external audits are recorded and tracked in the City's Audit Log until such actions are finalised. An updated version of the Audit Log, including updated comments from responsible officers, is presented as a standard item at each Committee meeting.

The City's Audit Log as of September 2025 is presented at **Attachment 8.3.1** for noting by the Committee.

No additional internal audits have been initiated this quarter. However, the Annual Financial Audit for 2024/2025 is underway and will be presented to the Committee within a separate report, additionally the OAG is continuing its review of the City's handling of gifts and benefits. The results will be presented at an upcoming Committee meeting once they are complete.

### OFFICER RECOMMENDATION

**That the Audit, Risk and Improvement Committee note the status of audit actions as detailed in the City of Kwinana Audit Log provided at Attachment 8.3.1.**

### VOTING REQUIREMENT

Simple majority

### DISCUSSION

The Audit Log at **Attachment 8.3.1** lists the status of all outstanding actions arising from previous audits (both internal and external). Since the previous Committee meeting, no additional finding have been included.

### STRATEGIC IMPLICATIONS

<b>Outcome:</b>	<b>Leadership / Boordiya Katidjin (Leader of knowledge)</b>
<b>Objective:</b>	Accountable and ethical governance
<b>Objective:</b>	Continuous improvement and efficiency
<b>Objective:</b>	Proactive leadership

**How does this proposal achieve the outcomes and strategic objectives?**

Although there is no direct connection to the Strategic Community Plan concerning the City's internal auditing, implementing this function supports the City's commitment to fostering a culture of continuous improvement and business excellence. It also ensures accountability and transparency in the delivery of services to the community.

**SUSTAINABILITY FRAMEWORK****Sustainability Guiding Principle**

- 1 - Social Inclusion
- 2 - Community Wellbeing
- 8 - Integrated and Transparent Decision-making

**Sustainability Priority Area**

- 3 - Liveability
- 6 - Responsible Investment and Procurement
- 7 - Innovation

**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**

1. Audit Action Log Working Document November [8.3.1 - 5 pages]



## 8.4 UPDATE ON COUNCIL POLICY REVIEW

### DECLARATION OF INTEREST

There were no declarations of interest declared.

### SUMMARY

The City is undertaking a comprehensive review of its Council policies to ensure they remain current, comply with legislative requirements, and reflect the evolving needs of the community.

While there is no legislatively mandated timeframe for the review of Council policies adopted in accordance with Section 2.7 of the *Local Government Act 1995*, the City has adopted a best-practice review cycle of every two to four years, depending on the nature and purpose of each policy.

Since the Audit, Risk and Improvement Committee meeting of 22 September 2025, the following policies have been reviewed and adopted by Council:

- Debtor Collection
- Recognition and Depreciation of Assets
- Related Party Disclosures
- Use of Corporate Credit Cards

**Attachment 8.4.1** identifies one policy that is currently overdue for review. However, this policy will remain in effect until the relevant legislation is amended, at which point it will be scheduled for revocation. In addition, Attachment 8.1.1 outlines future policies that are planned for inclusion and adoption by Council at the appropriate Ordinary Council Meeting. These policies have been reviewed, and where necessary, amendments have been made in accordance with their review schedule or as required by procedural changes.

**Attachment 8.4.2** outlines the City's planned review of all local planning policies. Unlike Council policies, any amendment to a local planning policy (other than those minor in nature) requires the City to undergo a consultation process as set out in the *Planning and Development (Local Planning Schemes) Regulations 2015*.

### OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee:

1. Note the City's progress towards the review of all Council policies (as detailed at Attachment 8.4.1) and outstanding local planning policies (as detailed at Attachment 8.4.2); and
2. Endorse the move to annual reporting of the status of Council policies.

### VOTING REQUIREMENT

Simple majority

## DISCUSSION

### ***Council Policy Review***

Section 2.7(2)(b) of *Local Government Act 1995* provides that Council is responsible for determining the local government's policies.

Council policies serve as high-level statements that articulate the intent behind the City's strategic objectives and guide its operations. Well-constructed policies strengthen the City's governance framework, ensuring consistency in decision-making and delivering aligned outcomes across all functions.

A comprehensive review of the City's existing policies revealed that a high amount were overdue for review, presenting a potential risk to the organisation. In response, the City launched a structured review of all outstanding policies. This initiative has now been successfully completed, resulting in the review of all previously overdue policies, with the sole exception of one policy that remains outstanding due to pending legislative amendments. The City will retain this policy until the relevant legislation is updated, at which time it will be scheduled for revocation.

The Governance and Legal Team, in collaboration with relevant departments, have presented 98 policies to Council over the last 24 months. This has included policies requiring amendments, policies with no necessary amendments, new policies for adoption, as well as policies requiring revocation.

As part of this project, a new review process has been established. High-risk policies are now reviewed no later than every two years, while lower-risk policies are reviewed no later than every four years. Policies will also be updated earlier where required in response to changes in legislation, procedures, or other relevant factors.

With the completion of the review of the overdue policies, the City has now transitioned to a business-as-usual approach for policy management, with all Council policies to be reviewed in accordance with their prescribed review dates or earlier if required. To support timely and consistent policy reviews, all policies continue to be entered into the centralised reporting system, namely Attain. This system assigns each policy to the relevant manager for review and triggers automated reminders based on the established review schedule. Managers will receive email notifications until the review is completed and formally closed, with final approval granted upon a Council resolution. This process remains in place to ensure ongoing compliance and accountability for all policy reviews.

The Audit, Risk and Improvement Committee will maintain its oversight by continuing to receive the Council Policy Review Update report, thereby supporting transparent governance practices. It is recommended that this review be an annual report to the Committee. Please note **Attachment 8.4.1** that provides the Council Policy Review Update.

### ***Local Planning Policy Review***

As reported to the Audit, Risk and Improvement Committee on 2 December 2024 (refer to **Item 8.4**), the City has commenced a review of the City's 17 local planning policies adopted under the Local Planning Scheme. During 2024, a desktop audit was undertaken of the local planning policies, leading to a review program that prioritises and allocates resources to undertake this work.

Since the last update to Audit, Risk and Improvement Committee on 9 June 2025, the City has engaged a casual Strategic Planning Officer to focus solely on the policy review work. Four policies have been reviewed and are close to finalisation. These policies are scheduled to being presented to Council for adoption after the 2025 Local Government Election, as the caretaker provisions of

the Local Government Act 1995 prevents Council from adopting, amending or revoking a local planning policy during the 'caretaker period'. Despite this, overall, the review program is on track. **Attachment 8.4.2** to this report has been updated to reflect the amended local planning policies.

## STRATEGIC IMPLICATIONS

**Outcome:** Leadership / Boordiya Katidjin (Leader of knowledge)  
**Objective:** Accountable and ethical governance

### How does this proposal achieve the outcomes and strategic objectives?

Although there is no specific action to the City's SCP or CBP the review, adoption and revoking of Council Policies should reflect the City's desired achievements, outcomes and objectives of the visionary leadership of the City.

## SUSTAINABILITY FRAMEWORK

### Sustainability Guiding Principle

8 - Integrated and Transparent Decision-making

### Sustainability Priority Area

3 - Liveability

### How does this proposal achieve the guiding principle and priority area?

This report supports integrated and transparent decision-making and enhances liveability by ensuring policies are regularly reviewed and remain relevant to the City's sustainability principles.

## LEGAL/POLICY IMPLICATIONS

Section 2.7 of the *Local Government Act 1995*:

### **2.7. Role of council**

- (1) *The council governs the local government's affairs and, as the local government's governing body, is responsible for the performance of the local government's functions.*
- (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**

1. Policy Review Report 20 November [8.4.1 - 4 pages]
2. Update on Implementation Plan Local Planning Policies [8.4.2 - 2 pages]

## 8.5 INTERNAL AUDIT PLAN 2025/2026 TO 2028/2029

### DECLARATION OF INTEREST

There were no declarations of interest declared.

### SUMMARY

Although the City is not required by legislation to undertake internal auditing functions, it is considered best practice to ensure its compliance with regulation 17 of the *Local Government (Audit) Regulations 1996*. The City is required to maintain effective systems and procedures for risk management, internal control, and legislative compliance. The internal audit function forms a key part of the governing framework, providing the Audit, Risk and Improvement Committee (Committee) and Council with independent oversight of governance, financial management and operational effectiveness.

At the Ordinary Council Meeting held on 13 October 2021, Council endorsed its Strategic Internal Audit Plan for 2021/2022 to 2023/2024. Upon completion of this plan, the City undertook several internal audits outside a formal internal audit plan to ensure continuity and to demonstrate the ongoing necessity of a robust internal audit program. While these internal audits were being undertaken, the City explored opportunities to broaden the scope of its internal audit activities, including the trial of a shared services initiative with the City of Cockburn. This approach was determined not to represent best practice for the City. Consequently, the development of a new Internal Audit Plan 2025/2026 to 2028/2029 was initiated, the new Internal Audit Plan 2025/2026 to 2028/2029 (Plan) is provided at **Attachment 8.5.1**.

Building on past experience, the new Plan establishes a structured review program to assess efficiency, compliance, and performance in key City service areas, both internal and external. By auditing one area per quarter, the City ensures comprehensive reporting and avoids the challenges of managing multiple audits simultaneously, making it easier to allocate resources and address findings appropriately for ongoing improvement.

Through the implementation of a coordinated program of independent review, the Plan seeks to proactively identify and address risks, thereby safeguarding the integrity of internal controls. It also aims to foster a culture of continuous improvement by identifying opportunities to enhance efficiency, accountability, and service delivery. Each annual schedule will specify targeted assessments to address key risks, compliance requirements, and opportunities for improvement across all auditable areas.

This report presents the draft Internal Audit Plan 2025/2026 to 2028/2029 as detailed in **Attachment 8.5.1** for the Committee's and Council's consideration and endorsement. It further seeks approval for the City to commence procurement and appointment processes for internal audit services for the remainder of the 2025/2026 financial year.

**OFFICER RECOMMENDATION**

**That the Audit, Risk and Improvement Committee:**

- 1. Endorse the City’s new Internal Audit Plan 2025/2026 to 2028/2029; and**
- 2. Authorise the City to engage an internal auditor for the remainder of the 2025/2026 financial year, with the option to extend until such time of the completion of the Internal Audit Plan 2025/2026 to 2028/2029.**

**VOTING REQUIREMENT**

Simple majority

**DISCUSSION**

To ensure compliance with the requirements of regulation 17 of the *Local Government (Audit) Regulations 1996*, the City has developed the Internal Audit Plan 2025/2026 to 2028/2029 (Plan) to ensure robust systems for risk management, internal control, and legislative compliance. With increasing expectations for accountability in local government, regular reviews of business processes have become essential. Internal audits offer a structured method to mitigate risks and identify opportunities to strengthen internal controls.

This Plan is designed to deliver independent evaluations of the City’s processes and controls, reinforcing governance and promoting best practices for managing both strategic and operational risks. Through this approach, the City aims to assure the effectiveness and efficiency of critical business operations and proactively address potential risks. As a foundation of the City’s governing framework, the internal audit function provides the Audit, Risk and Improvement Committee (Committee) and Council with impartial oversight of governance, financial management, and operational performance.

The Committee is invited to provide feedback to further refine the Plan. Preliminary objectives for each proposed audit area are outlined in **Attachment 8.5.1**. these objectives will be discussed and agreed upon with management prior to each audit and may be adjusted in line with available resources and budget considerations.

The following audit areas have been identified for the 2025/26 to 2028/29 period:

Review	Area of Review	Auditable Function	2025/ 26	2026/ 27	2027/ 28	2028/ 29
1.	Asset Management	Asset Management	X			
2.	Customer and Communication	Marketing and Communications	X			
3.	Economic Development	Economic Development	X			
4.	Community Engagement	Community Services and Partnerships	X			
5.	Building Services	Building Services		X		



Review	Area of Review	Auditable Function	2025/ 26	2026/ 27	2027/ 28	2028/ 29
6.	Planning and Development	Statutory Planning		X		
7.	Environment and Health Services	Environmental Health		X		
8.	Engineering Services	Engineering		X		
9.	City Operations	Facilities Maintenance			X	
10.	Governance and Legal	Risk Management and Auditing – including Business Continuity			X	
11.	Human Resources	Recruitment and Training			X	
12.	Information Management	Corporate Business Services			X	
13.	Community Engagement	Engagement and Place				X
14.	Community Facilities	Recquatic				X
15.	Essential Services	Emergency Management				X
16.	Information Management	Records Management				X

Recognising that fewer audits were conducted in the early part of the financial year 2025/2026, you'll note that four priority audit areas have been identified for consideration for remainder of 2025/2026, pending auditor availability and alignment with the City's budget.

With the exception of the auditable areas scheduled for 2025/2026, the City is drawing from experience, the new Plan introduces a systematic review process of one auditable areas per quarter. This quarterly audit strategy enables the City to deliver comprehensive reports, streamline resource allocation, and address audit findings more effectively, thereby driving continuous improvement without the complications of overlapping audits.

The Plan also acknowledges that the City is obligated to complete certain audits and reviews in accordance with legislative requirements. These mandatory audits and reviews may be conducted internally, by an external auditor outside the scope of this Plan, or by the Office of the Auditor General (OAG). The inclusion of these ensures that the Committee and Council receive a thorough overview of all legislatively mandated audits and reviews. The Plan specifies the scheduled timeframes for when these audits and reviews are to be conducted and provides guidance on when they are anticipated to be presented to both the Committee and the Council.

Legislatively required audits/reviews.

Review	Audit/Review	Auditable Function	2025/ 26	2026/ 27	2027/ 28	2028/ 29
1.	Compliance Audit Return	<i>Local Government (Audit) Regulation 1996 r.14</i>	X	X	X	X
2.	Statutory Financial Audit and Information System Audit	<i>Local Government Act 1995 s. 7.9</i>	X	X	X	X

Review	Audit/Review	Auditable Function	2025/ 26	2026/ 27	2027/ 28	2028/ 29
3.	City Legal and Governance - Audit	<i>Local Government (Audit) Regulations 1996 r.17</i>			X	
4.	Finance - Financial Management	<i>Local Government (Financial Management) Regulations 1996 r5</i>		X		

It is also important to note that the City may be subject to additional audits conducted by the OAG. These supplementary audits are typically selected at random and may occur outside the predetermined schedule.

Additionally, the Plan also includes a table outlining considerations for future audit planning. This table offers an overview of the areas scheduled for audits from 2029/2030 through 2032/2033, as detailed below:

Review	Area of Review	Auditable Function	2029/ 30	2030/ 31	2031/ 32	2032/ 33
1.	City Operations	Technical and Administration				
2.	City Operations	Infrastructure Maintenance				
3.	City Operations	Workshop				
4.	City Operations	Parks and Natural Areas				
5.	Community Engagement	Community Development				
6.	Community Engagement	Koorliny Art Centre				
7.	Community Facilities	Community Facilities Planning				
8.	Community Facilities	Library				
9.	Community Facilities	Retirement Village				
10.	Customer and Communication	Customer Service				
11.	Environment and Health Services	Environment and Waste				
12.	Essential Services	Rangers				
13.	Essential Services	Compliance				
14.	Finance	Rates				
15.	Finance	Finance (including cash management and handling)				
16.	Finance	Contracts and Procurement				
17.	Governance and Legal	Governance				
18.	Governance and Legal	Integrated Planning				

Review	Area of Review	Auditable Function	2029/ 30	2030/ 31	2031/ 32	2032/ 33
19.	Human Resources	Work Health and Safety				
20.	Human Resources	Strategic Planning and Payroll (including leave management)				
21.	Information Management	Information Technologies				
22.	Planning and Development	Strategic Planning				
23.	Planning and Development	Environmental Planning				

It is recommended that the Committee endorse the Plan and authorise the City to commence the procurement process to select and appoint an Auditor for the remainder of the 2025/2026 financial year. The initial contract would cover the 2025/2026 period, with an option to extend through to the completion of the 2025/2026 to 2028/2029 audit plan, provided the audits for 2025/2026 are deemed satisfactory.

## STRATEGIC IMPLICATIONS

<b>Outcome:</b>	<b>Leadership / Boordiya Katidjin (Leader of knowledge)</b>
<b>Objective:</b>	Customer experience
<b>Objective:</b>	Accountable and ethical governance
<b>Objective:</b>	Continuous improvement and efficiency
<b>Objective:</b>	Proactive leadership

### How does this proposal achieve the outcomes and strategic objectives?

Internal auditing contributes significantly to achieving the strategic objectives of continuous improvement, efficiency, and proactive leadership by providing independent, objective assessments of organisational processes and controls. Through regular evaluation and recommendations, internal audits identify opportunities for enhanced performance, risk mitigation, and informed decision-making. This ongoing scrutiny ensures that operations align with best practices, regulatory requirements, and organisational goals, fostering a culture of accountability and informed leadership that supports the overall outcome of Leadership/Boordiya Katidjin (Leader of knowledge).

## SUSTAINABILITY FRAMEWORK

### Sustainability Guiding Principle

7 - Generational Value Creation

8 - Integrated and Transparent Decision-making

### Sustainability Priority Area

6 - Responsible Investment and Procurement

**How does this proposal achieve the guiding principle and priority area?**

Internal auditing aligns with the sustainability guiding principles by fostering generational value creation and promoting integrated, transparent decision-making. Through systematic reviews and objective evaluations, internal audits provide insights that help ensure organisational activities support long-term benefits for future generations. Additionally, the process encourages open communication and accountability, enabling transparent reporting and informed choices that reflect the organisation's values and commitment to sustainability. This approach not only strengthens responsible investment and procurement practices but also embeds a culture of continuous improvement and ethical stewardship throughout the organisation.

**LEGAL/POLICY IMPLICATIONS**

There are no legal/policy implications to this report, however this report supports the compliance with the *Local Government (Audit) Regulations 1996*.

*Local Government (Audit) Regulations 1996**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 subregulation (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**

The appointment of an Internal Auditor does carry financial implications for the City, as it involves the allocation of funds to support ongoing audit activities and independent assessments. However, these costs have been, and will continue to be, incorporated into the City's annual budget planning to ensure adequate resourcing for the program. While internal auditing represents a budget commitment, it is a vital initiative that supports the City's accountability and compliance with its organisational requirements.

**ASSET MANAGEMENT IMPLICATIONS**

There are no asset management implications to this report.

**ENVIRONMENTAL/PUBLIC HEALTH IMPLICATIONS**

There are no environmental/public health implications to this report.

**COMMUNITY ENGAGEMENT**

There are no community engagement requirements with regards to this report.

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**ATTACHMENTS**

- 1. Internal Audit Plan 2025 26 to 2028 29 DRAFT [**8.5.1** - 35 pages]

## 8.6 DEVELOPMENT CONTRIBUTIONS ANNUAL STATUS REPORT 2024-2025

### SUMMARY

The City is required to prepare an Annual Status Report of its Development Contribution Plans, in accordance with cl. 6.10.18 of State Planning Policy 3.6: Infrastructure Contributions (SPP3.6). The Annual Status Report provides an overview of the delivery of infrastructure specified in each of the City’s Development Contribution Plans (DCPs) and the financial position of the Development Contribution Funds.

The Development Contributions Annual Status Report for Financial Year 2024 – 2025 has been prepared and is presented to Council for information. The Annual Status Report is to be provided to the Department of Planning, Lands and Heritage, and published on the City’s website.

### OFFICER RECOMMENDATION

**That Audit, Risk and Improvement Committee note the Development Contribution Plans Annual Status Report FY 2024 – 2025 (Attachment 8.6.1).**

### VOTING REQUIREMENT

Simple majority

### DISCUSSION

State Planning Policy 3.6 - Infrastructure Contributions (SPP 3.6) sets out the principles and considerations for development contributions, including the form, content, and processes.

SPP 3.6 requires an annual review of the estimated cost for infrastructure still to be delivered by each Development Contribution Plan (DCP). The annual review will also include a review of undeveloped land or dwelling yield, and include updated land valuations where land is to be acquired by the DCP. All this information is compiled in the Cost Apportionment Schedule and DCP Report applicable for each DCP.

The status of the City’s reviews is as follows:

	<b>Last Review / Date of Cost Apportionment Schedule</b>	<b>Scheduled Review / Comments</b>
DCP 1	13 December 2023	Scheduled for March 2026. Estimated infrastructure costs have been obtained. Land valuer engaged.
DCPs 2 – 7	14 May 2025	Minor review underway, scheduled to be completed by 30 November 2025.
DCPs 8 – 15	28 February 2024	Scheduled for February 2026. Review of dwelling yield projections has been more complicated than anticipated.



		Estimated infrastructure costs have been obtained.
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In addition to the annual review of cost estimates, Clause 6.10.18 of SPP 3.6 requires local governments to report on the delivery of infrastructure specified in the DCPs and the financial position of the Development Contribution Funds in the form of an annual status report. It is intended that the annual reporting provides a snapshot, or high-level summary, of the progress of the DCP, to ensure the fundamental principles of transparency and accountability are upheld throughout the life of the DCP.

The Development Contribution Plan Annual Status Report FY 2024 - 2025 (the Report) has been prepared using the model template provided in Schedule 5 of SPP 3.6. The Report aligns with the annual financial statements up to 30 June 2025 and can be found as Attachment 8.7.1.

In summary, the Report highlights the following changes since the last Annual Report in 2022:

- Net collection of \$11,011,329 in cost contributions (1 July 2024 – 30 June 2025), with a total \$80,348,732.46 collected through the City’s Development Contributions as of 30 June 2025.
- Additional \$2,282,261.01 in interest earned on Development Contribution Fund (DCF) (1 July 2024 – 30 June 2025), total interest to date earned amounting to \$10,888,083.89 as of 30 June 2025
- Total expenditure for the lifetime of the DCPs of \$93,569,530.14.
- Commencement of delivery of Public Open Space in Anketell North (DCP4 – Item 2) as subdivision progresses.
- Progression of delivery of Public Open Space in Mandogalup (DCP6 – Item 2) as subdivision progresses, including POS D, POS 5, POS 7.
- Commencement of Thomas Oval changing rooms in April 2025 to be completed by March 2026. The DCP/City Funding amount is \$1,191,049 for this project.
- Commencement of Wellard West Pavilion construction in progress to be completed by June 2026. Total Project cost \$6,319,641.

Once considered by the Audit and Risk Committee the Report will be published on the City’s website and provided to the Department of Planning, Lands and Heritage.

**STRATEGIC IMPLICATIONS**

- Outcome:** Quality of Life / Ngalang moorditj wirrin (Our strong spirit)
- Objective:** Enhanced public spaces
- Action in CBP:** Administer and implement the Development Contribution Plans for community and standard infrastructure
- Objective:** Pride in our place
  
- Outcome:** Built Environment/ Ngalak Moort Mia Mia (Family gathering places)
- Objective:** Building communities
- Action in CBP:** Administer and implement the Development Contribution Plans for community and standard infrastructure

**How does this proposal achieve the outcomes and strategic objectives?**

The preparation of the Annual Status Report is a requirement of SPP 3.6 and demonstrates the City’s commitment to responsible, transparent and accountable administration of the local planning scheme, and management of DCP funds.

**SUSTAINABILITY FRAMEWORK****Sustainability Guiding Principle**

8 - Integrated and Transparent Decision-making

**Sustainability Priority Area**

3 - Liveability

**How does this proposal achieve the guiding principle and priority area?**

DCPs are a tool for coordinating and funding necessary infrastructure for future communities.

**LEGAL/POLICY IMPLICATIONS**

The Report is a reporting requirement of State Planning Policy 3.6: Infrastructure Contributions.

**FINANCIAL/BUDGET IMPLICATIONS**

The Report provides a summary of the financial position of the Development Contribution Funds as at 30 June 2025.

**ASSET MANAGEMENT IMPLICATIONS**

The Report provides an update on development contributions paid to the City towards infrastructure, credits provided for works in kind, as well as a status and delivery of infrastructure.

**ENVIRONMENTAL/PUBLIC HEALTH IMPLICATIONS**

There are no environmental / public health implications associated with this item.

**COMMUNITY ENGAGEMENT**

The Annual Status Report will be published on the City's website to inform the community. No specific engagement is required to prepare the Report.

**ATTACHMENTS**

1. Development Contribution Plans Annual Status Report FY 2024-2025 [8.6.1 - 32 pages]

## **9 LATE AND URGENT BUSINESS**

### **9.1 ADOPTION OF THE ANNUAL REPORT (INCLUDING THE FULL SET OF AUDITED FINANCIAL STATEMENTS) FOR THE YEAR ENDING 30 JUNE 2025**

Report to be circulated separately when finalised.

**10 ANSWERS TO QUESTIONS WHICH WERE TAKEN ON NOTICE**

**11 CLOSE OF MEETING**