

Audit, Risk and Improvement Committee Meeting

22 September 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

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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, Risk and Improvement 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 Nyoongar boodjar. Nyoongar moort djoorapiny nyinniny nidja ngulla quopadok Nyoongar boodjar kooralong.

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

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

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

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

Hello and welcome my heart is happy as we are gathered on country and meeting here on Nyoongar 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(s) of Absence (previously approved):

Nil

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 9 JUNE 2025

RECOMMENDATION

That the Minutes of the Audit, Risk and Improvement Committee Meeting held on 9 June 2025 be confirmed as a true and correct record of the meeting.

8 REPORTS

8.1 COUNCIL POLICY REVIEW UPDATE

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, 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 9 June 2025, the following policies have been reviewed and/or adopted by Council:

- Conservation of Native Vegetation and Habitat
- Application for Exemption as to Limitations on Keeping of Dogs
- Homelessness
- Leasing
- Community Facilities Usage
- Public Library – Collection Development
- Naming of Streets, Parks and Places and Buildings
- Scattering of Ashes, Memorial Plaque and Tree Request
- Execution of Documents
- Use of Recquatic Facilities Emergency Services Personnel
- Fireworks Management
- Community Funding Policy
- Civic, Social, Business Function and Recognition

Council additionally resolved to revoke the following policies, as they no longer align with the City's current needs and strategic direction:

- Advertising and Directional Signage in Thoroughfares and on Local Government Property
- Conservation of Remnant Vegetation
- Information and Staff by Elected Members Policy

Attachment 8.1.1 lists the three policies currently overdue for review. Relevant business areas are working to ensure all such policies are reviewed as a matter of priority. Two such policies are scheduled to be presented to Council at such time of the conclusion of the City's caretaker period.

Attachment 8.1.2 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 note the City's progress towards the review of all outstanding Council policies (as detailed at Attachment 8.1.1) and local planning policies (as detailed at Attachment 8.1.2).

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 an unacceptably high amount was overdue for review, presenting a potential risk to the organisation. To address this, the City has launched a structured review of all outstanding policies.

The Governance and Legal Team, in collaboration with relevant departments, has presented 94 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.

In addition to the above, to support timely policy reviews, all Council policies are now entered into a centralised reporting system, namely Attain software. This system assigns each policy to the relevant manager for review and sets automated reminders based on the policy's review timeframe. Managers receive email notifications until the review is completed and formally closed, with final approval achieved upon a Council resolution.

Attachment 8.1.1 provides a detailed report of Council policies that remain overdue. These overdue policies are being prioritised for review to ensure compliance with current standards and operational needs.

Local Planning Policy Review

As reported to the Audit, Risk and Improvement Committee on 2 December 2024 (refer Item 8.5), 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. At its Ordinary Meeting on 11 December 2024, Council adopted minor amendments to 3 local planning policies. An Elected Member briefing was held on 31 March 2025 to discuss potential policy

options for tree retention in residential areas. Community consultation will be conducted to evaluate the appropriate next steps regarding the potential policy.

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 elections, 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 8.1.2 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

N/A - There is no specific action in the CBP, yet this report will help achieve the indicated outcomes and strategic objectives.

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. Council Policies - Policy Review Report [8.1.1 - 5 pages]
2. Local Planning Policies - Implementation Plan [8.1.2 - 2 pages]

8.2 WORK HEALTH AND SAFETY (WHS) STATISTICAL REPORT - 27 MAY 2025 - 29 AUGUST 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. As part of this commitment, the City has reviewed and updated its Safety and Wellbeing Strategic Plan 2024–2026, which outlines the key priorities and actions for improving workplace safety, wellbeing, and compliance with WHS legislation. The updated Plan, endorsed by the Strategic WHS Committee and Executive Leadership Team, is presented to the Audit and Risk Committee for noting and comment in **Attachment 8.2.1**.

In addition, this report includes WHS statistical data for the period 27 May 2025 to 28 August 2025, during which 16 incidents were reported, including 7 injuries and 3 public behaviour-related incidents. A summary of incident types and severity ratings is provided in **Attachment 8.2.2**.

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 8.2.1.**
- 2. Note and provide comment where appropriate on the City of Kwinana WHS Statistical data report detailed in Attachment 8.2.2.**

VOTING REQUIREMENT

Simple majority

DISCUSSION

Safety and Wellbeing Strategic Plan 2024 – 2026

The City of Kwinana's Safety and Wellbeing Strategic Plan 2024–2026 provides a structured approach to delivering on the City's moral and legislative responsibilities to ensure a safe and healthy workplace. The Plan outlines five key strategic priorities:

1. Leadership and Safety Culture
2. Hazard Identification and Risk Management
3. Training and Capability
4. Wellbeing and Support
5. Work Health and Safety (WHS) Governance and Assurance

Each priority area includes clear outcomes, performance measures, and status indicators, supported by a traffic light system for monitoring progress. The plan has recently undergone a comprehensive review, with updates reflecting:

- Greater emphasis on psychosocial hazards and support systems.
- A stronger focus on continuous improvement and audit readiness.
- New measures for enhancing staff capability and WHS accountability at all levels.

Implementation is guided by the Strategic WHS Committee and overseen by the Executive Leadership Team, with progress reviewed quarterly.

The focus areas for the 2025–2026 year include:

- Delivery of targeted WHS training modules for supervisory staff.
- Improved contractor safety management practices.
- Completion of scheduled WHS audits and inspections.
- Strengthening mental health and wellbeing programs across the organisation.

The updated Plan is attached as **Attachment 8.2.1**.

Summary of Statistical Data:

During the reporting period of 27 May 2025 to 28 August 2025, **16 incidents** were recorded across all directorates:

- 7 injury-related incidents (2 lost time, 2 first aid, 3 report only),
- 3 vehicle-related incidents,
- 3 incidents involving public violence or inappropriate behaviour, and
- 3 categorised as other.

Breakdown by Directorate:

- City Life – 9 incidents
- City Infrastructure – 4 incidents
- City Development and Sustainability – 2 incidents
- Office of the CEO – 1 incident

Event severity (pre-controls) was assessed as:

- 5 medium risk
- 9 low risk
- 2 pending classification

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 8.2.2**

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. D24 23979 City of Kwinana Safety and Wellbeing Strategic Plan 202 [8.2.1 - 18 pages]
2. ATTACHMENT 8 2 2 WHS Statistical Data Report Audit and Risk Commi [8.2.2 - 6 pages]

8.3 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).

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

The City's strategic risk register is provided at **Attachment 8.3.1** for noting and comment by the Committee. The following changes are noted since the previous Committee meeting of 9 June 2025:

1) **Changes to risk registers:**

- ***SR2 – Monitoring of financial ratios; and***
- ***SR6 – Maintain level of service of City assets***

Following a review of the above risks, SR2 has been incorporated into SR6 as a control measure. This integration strengthens the City's risk management framework for maintaining the service level of City assets. Additionally, the risk title for SR6 has been amended to more accurately reflect the updated risk, ensuring alignment with the risks currently facing the organisation. These changes demonstrate the City's ongoing commitment to refining its risk register and maintaining effective oversight of key risk areas.

- ***SR28 – Failure to comply with the City's obligations due to the transition to the Industrial Relations Act 1979 and SR25 – Non-compliance with Retirement Villages Act 1992 – Banksia Park Retirement Estate.***

The risk items listed above have been reviewed, and with the introduction of additional controls, these risks have been reassessed, bringing both risk appetites to an acceptable and controlled level. In addition to these changes, the title for risk item SR25 has been amended to more accurately reflect the organisation's actual risk exposure.

The City has engaged RiskWest to undertake risk management training. To date training has been delivered to 45 key members of staff, with additional sessions planned to ensure broad participation across the organisation. Future training sessions are being scheduled to align with best practices 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.

Alongside staff training, RiskWest will review and conduct a GAP analysis of the City's Strategic Risk Register, with completion expected before the end of 2025.

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 8.3.1.

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	94	Extreme	7	Extreme	0
		High	60	High	0
		Medium	27	Medium	42
		Low	3	Low	49
Strategic	7	Extreme	1	Extreme	0
		High	4	High	0
		Medium	1	Medium	3
		Low	0	Low	3

The City's strategic risk register shows all 6 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 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 affecting 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 (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 - September 2025 [8.3.1 - 16 pages]

8.4 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 8.4.1** for noting by the Committee, with new officer comments and any overdue actions highlighted in red.

Between March and June 2025, the City participated in a Fleet Management Audit conducted jointly with the City of Cockburn. This audit identified several opportunities for enhancement, including the adoption of formal planning processes, comprehensive risk assessments, and the integration of digital tools and key performance indicators. Notwithstanding these recommendations, the City maintains that its existing practices, comprising manual oversight, adherence to safety standards, and the implementation of cost-effective ownership are appropriate and effective for managing its relatively small fleet. Additional details regarding this audit are outlined in the Discussion section of this report, and the finalised Fleet Management Report is provided for review at **Attachment 8.4.2**.

The OAG's audit of the City's management of gifts and benefits is ongoing. The findings will be shared at a future Committee meeting once finalised.

OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee note;

1. the status of audit actions as detailed in the City of Kwinana Audit Log provided at **Attachment 8.4.1**; and
2. the findings of the internal audit of Fleet Management Audit provided at **Attachment 8.4.2**.

VOTING REQUIREMENT

Simple majority

DISCUSSION

The City, in conjunction with the City of Cockburn, sought quotations from 8 WALGA panel auditing firms to conduct a joint audit of the Cities' fleet management practices. Only one firm responded, namely 'Blue Zoo', who were engaged. Blue Zoo between March and June 2025, reviewed fleet management practices at the Cities of Cockburn and Kwinana.

The Fleet Management Audit was undertaken as part of the City of Kwinana's Internal Audit Plan, recognising the significant investment and resources committed to fleet operations.

The audit's objective was to assess the adequacy of governance, risk management, policies, and operational practices in managing fleet assets.

The scope covered:

- Planning, organising, controlling, and managing vehicle assets.
- Compliance of policies and procedures with legislation and good practice.
- Efficiency and effectiveness of the operating model, including value for money.
- A review of documentation, policies, registers, data, and stakeholder input.

As the per the City's risk management framework the audit rated Kwinana with **one medium risk** (risk management) and **five low risks** across policy, lifecycle planning, maintenance, KPIs, and the operating model. Recommendations included refreshing risk assessments, developing a formal fleet management plan, enhancing lifecycle planning, adopting telematics and digital tools, introducing KPIs, and reviewing the ownership-based model.

The City acknowledged the audit but generally does not support most of the recommendations, on the basis that they are disproportionate to the size and nature of its fleet.

Key points include:

- **Risk Management**
 - The City undertakes regular, plant-specific risk assessments under its WHS framework, overseen by the WHS Committee.
 - Fleet safety is managed through compliance with Australian Standards, the Road Traffic Code, and policies requiring 5-star vehicle safety ratings.
 - Given the fleet's small, standardised nature and flexibility to use contractors or hire replacements as needed, reputational and service delivery risks are considered low. Additional documentation and controls were determined to add limited value.
 - Work health and safety is the primary risk, actively managed through established standards, safety policies, drug and alcohol testing, and complaints procedures.
 - Fraud risk is acknowledged in the corporate risk register, though fleet-related fraud exposure is considered minimal. Procurement fraud is managed separately by the Procurement team and subject to OAG audit.

- **Policy and Guidance**

- Fleet operations follow HR policies, procurement processes, and business case requirements.
- The City sees value in merging current practices into one fleet document.

- **Lifecycle Planning and Data**

- Fleet and plant replacement are managed using spreadsheets and ERP-supported models, which are considered appropriate and cost-effective for the City's relatively small fleet.
- More sophisticated systems may be considered in future if the fleet grows, but no action is required at this stage.

- **Maintenance and Monitoring**

- GPS data is restricted by policy to servicing and locating vehicles, not driver monitoring.
- The City does not consider additional monitoring systems necessary.

- **KPIs**

- The City does not use formal fleet KPIs, arguing that issues with vehicles are readily identifiable through direct oversight.
- Additional investment in KPI frameworks is not considered justified for the size of the fleet.

- **Operating Model**

- The ownership-based fleet model is considered the most cost-effective, given the City's access to low-cost debt through State Treasury compared to leasing.
- Governance is overseen by the Coordinator Technical Operations reporting through the Executive Leadership Team, which is considered appropriate for the scale of operations.

The City acknowledges the audit findings but considers that its current fleet management practices are already fit-for-purpose given the size, composition, and operational requirements of its fleet. The City's primary focus is on ensuring safety through compliance with Work Health and Safety (WHS) legislation, Australian Standards, and the Road Traffic Code, with additional controls such as a 5-star vehicle safety rating policy and the installation of dash cameras across the fleet. Broader risks such as fraud, procurement, or reputation are already managed at the corporate level through the City's risk register, procurement team oversight, and existing complaint and accountability processes.

The City believes that the introduction of additional layers of documentation, new systems such as telematics or integrated fleet management software, and formal KPI frameworks would not deliver meaningful benefits in the context of a small fleet that is closely managed and easily overseen through manual processes. The current use of spreadsheets, ERP support for replacement modelling, and routine business case assessments for major plant items already ensure sound governance, accountability, and value-for-money outcomes.

The City also maintains that its ownership-based model is more cost-effective than leasing, given access to low-cost State Treasury financing, and that continuity of service is safeguarded through the ability to use contractors or hire equipment if required. For these reasons, the City does not believe the majority of the recommended actions are warranted or proportionate. Instead, the City will continue to manage its fleet using its existing frameworks, which balance compliance, operational needs, and financial sustainability in a way that is appropriate to its context.

The finalised Fleet Management Audit report is presented at **Attachment 8.4.2**.

The Audit Log at **Attachment 8.4.1** lists the status of all outstanding actions arising from previous audits (both internal and external). Since the previous Committee meeting, the City's Fleet Management Audit findings and recommendations have been included within the Audit Log.

STRATEGIC IMPLICATIONS

Outcome:	Leadership / Boordiya Katidjin (Leader of knowledge)
Objective:	Accountable and ethical governance
Objective:	Continuous improvement and efficiency
Objective:	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 (1) [8.4.1 - 16 pages]
2. Shared Services Audit Fleet Management vFinal [8.4.2 - 29 pages]

8.5 COUNCIL POLICY REVIEW - FINANCE

DECLARATION OF INTEREST

There were no declarations of interest declared.

SUMMARY

Council policies are high-level statements articulating the intent of the City's strategic objectives as well as guiding the City's operations. These policies serve as essential frameworks, outlining principles and expectations that direct how the City manages its responsibilities, interacts with the community, and aligns its services with long-term vision and values. Appropriate policies help strengthen the City's governance by ensuring a clear, shared understanding of priorities, and also support consistency in decision-making and outcomes across different departments and leadership terms.

To maintain the relevance and effectiveness of these policies, a structured review process is in place. High-risk policies, those that address critical areas or have significant legal or operational implications are to be reviewed every two years to ensure they remain current with best practices, legislative changes, and emerging risks. In contrast, lower-risk policies may be reviewed every four years, balancing the need for oversight with operational efficiency. However, policies are required to be updated outside of these scheduled intervals if circumstances demand it, such as changes in legislation, organisation procedures, or other relevant factors that could affect the policy's intent or application. This proactive approach ensures that the City's policies not only comply with regulatory requirements but also continue to reflect the evolving needs and expectations of the community it serves.

The following existing Council policies have been subject to review and are now recommended to the Audit, Risk and Improvement Committee for noting and comment:

- Recognition and Depreciation of Assets (**Attachment 8.5.1**);
- Related Party Disclosure (**Attachment 8.5.3**);
- Debtor Collection (**Attachment 8.5.5**); and
- Use of Corporate Credit Card (**Attachment 8.5.7**).

For ease of reference, a tracked changes and clean final version of each policy have been provided.

The policies listed within this report will be presented to Council for endorsing in November 2025.

OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee recommend that Council adopt the following Council Policies:

- 1. Recognition and Depreciation of Assets (Attachment 8.5.1);**
- 2. Related Party Disclosure (Attachment 8.5.3);**
- 3. Debtor Collection (Attachment 8.5.5); and**
- 4. Use of Corporate Credit Card (Attachment 8.5.7).**

VOTING REQUIREMENT

Simple majority

DISCUSSION

This report seeks the Committee's consideration of, and recommendation to Council on, the revised policies. Both tracked change and clean copies of each policy have been provided. Subject to the Committee's endorsement, the policies will be presented to Council for adoption at an Ordinary Council Meeting to be held in November 2025.

The following policies have been reviewed and will be recommended for adoption (as amended):

Debtor Collection	<p>The Debtor Collection policy has been reviewed and updated to enhance clarity, accountability, and alignment with best practice in the management of outstanding debts (excluding rates and service charges). The revised policy establishes clearer procedures for the recovery process, ensuring that all actions are undertaken in a fair, transparent, and timely manner. These amendments are designed to minimise financial risk and promote consistent, equitable treatment of debtors across the City's operations.</p> <p>In addition, the policy has also been transitioned to the City's updated policy template, with all changes reflected in the recommended clean version for Council adoption.</p> <p>A tracked change version of this policy is provided at Attachment 8.5.2</p>
Related Party Disclosure	<p>The amendments to this policy are primarily editorial in nature, focusing on refining the language for greater clarity and readability. No substantial changes to the policy's intent or application have been made.</p> <p>As with other reviewed policies, the document has also been updated to align with the City's latest policy template, with changes shown in the recommended clean version for Council adoption.</p> <p>A tracked change version of this policy is provided at Attachment 8.5.4.</p>
Recognition and Depreciation of Assets	<p>The Recognition and Depreciation of Assets policy has been reviewed to provide further clarity on the management of portable and attractive assets, specifically addressing the handling of items not recorded on the asset register. Updates have also been made to various useful lives to align with current depreciation rates, and the revaluation cycles for asset groups have been revised.</p> <p>Additionally, the policy now requires that fair value assessments be undertaken annually to determine whether valuations exceed the thresholds outlined in the asset valuation procedure.</p> <p>As part of the review process, the policy has been transitioned to the City's updated policy template, with these changes reflected in the recommended clean version for Council adoption.</p>

	A tracked change version of this policy is provided at Attachment 8.5.6.
Use of Corporate Credit Card	<p>The policy has undergone several key amendments to improve clarity, accountability, and alignment with best practice. Notably, the approval of the CEO's corporate credit card has shifted from the Mayor to the Chief Financial Officer, following a recommendation from the Office of the Auditor General, as the Mayor does not hold administrative responsibilities.</p> <p>Additional updates include clear procedures for managing personal expenditure on the card, guidelines for online payment requirements, and the inclusion of Fringe Benefits Tax (FBT) obligations for entertainment-related spending. The policy now also clarifies the direct manager's responsibilities regarding cardholder oversight.</p> <p>Previous restrictions on linking credit cards to certain websites have been refined, recognising that such links are essential for legitimate payments, for example, Facebook transactions. Collectively, these changes enhance the policy's robustness, transparency, and practical application for all cardholders and administrators.</p> <p>As part of the review, the policy has also been transitioned to the City's updated policy template, with these changes reflected in the recommended clean version for Council adoption.</p> <p>A tracked change version of this policy is provided at Attachment 8.5.7.</p>

STRATEGIC IMPLICATIONS

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

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 desired achievements of the outcomes and objective of the visionary leadership of the City.

SUSTAINABILITY FRAMEWORK

Sustainability Guiding Principle

8 - Integrated and Transparent Decision-making

Sustainability Priority Area

3 - Liveability

6 - Responsible Investment and Procurement

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

Through these policies, the City of Kwinana demonstrates visionary leadership dedicated to acting for its community, modelling accountable and ethical governance, and strengthening trust with the community. The City's approach to policy development and review ensures that sustainability principles are embedded in its operations, promoting a healthier, more resilient, and sustainable community.

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

These policies act as safeguards, helping to reduce financial and budget impacts and supporting ethical management.

ASSET MANAGEMENT IMPLICATIONS

The Recognition and Depreciation of Assets policy has been reviewed to provide further clarity around the management of portable and attractive assets, specifically addressing the handling of items not recorded on the asset register. Updates have also been made to various useful lives to align with current depreciation rates, and the revaluation cycles for asset groups have been revised. This policy is in place to mitigate asset management implications by ensuring consistent, transparent, and effective practices for managing the City's assets throughout their lifecycle.

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. Council Policy Recognition and Depreciation of Assets Clean [8.5.1 - 13 pages]
- 2. Council Policy Recognition and Depreciation of Assets Tracked Cha [8.5.2 - 11 pages]
- 3. Council Policy Related Party Disclosures Clean Version [8.5.3 - 6 pages]
- 4. Council Policy Related Party Disclosures Tracked Changed [8.5.4 - 7 pages]
- 5. Council Policy Debtor Collection Clean [8.5.5 - 5 pages]
- 6. Council Policy Debtor Collection Tracked Change [8.5.6 - 6 pages]

7. Council Policy Use of Corporate Credit Cards Clean Version [**8.5.7** - 6 pages]
8. Council Policy Use of Corporate Credit Cards Tracked Changes [**8.5.8** - 6 pages]

9 LATE AND URGENT BUSINESS

10 ANSWERS TO QUESTIONS WHICH WERE TAKEN ON NOTICE

11 CLOSE OF MEETING