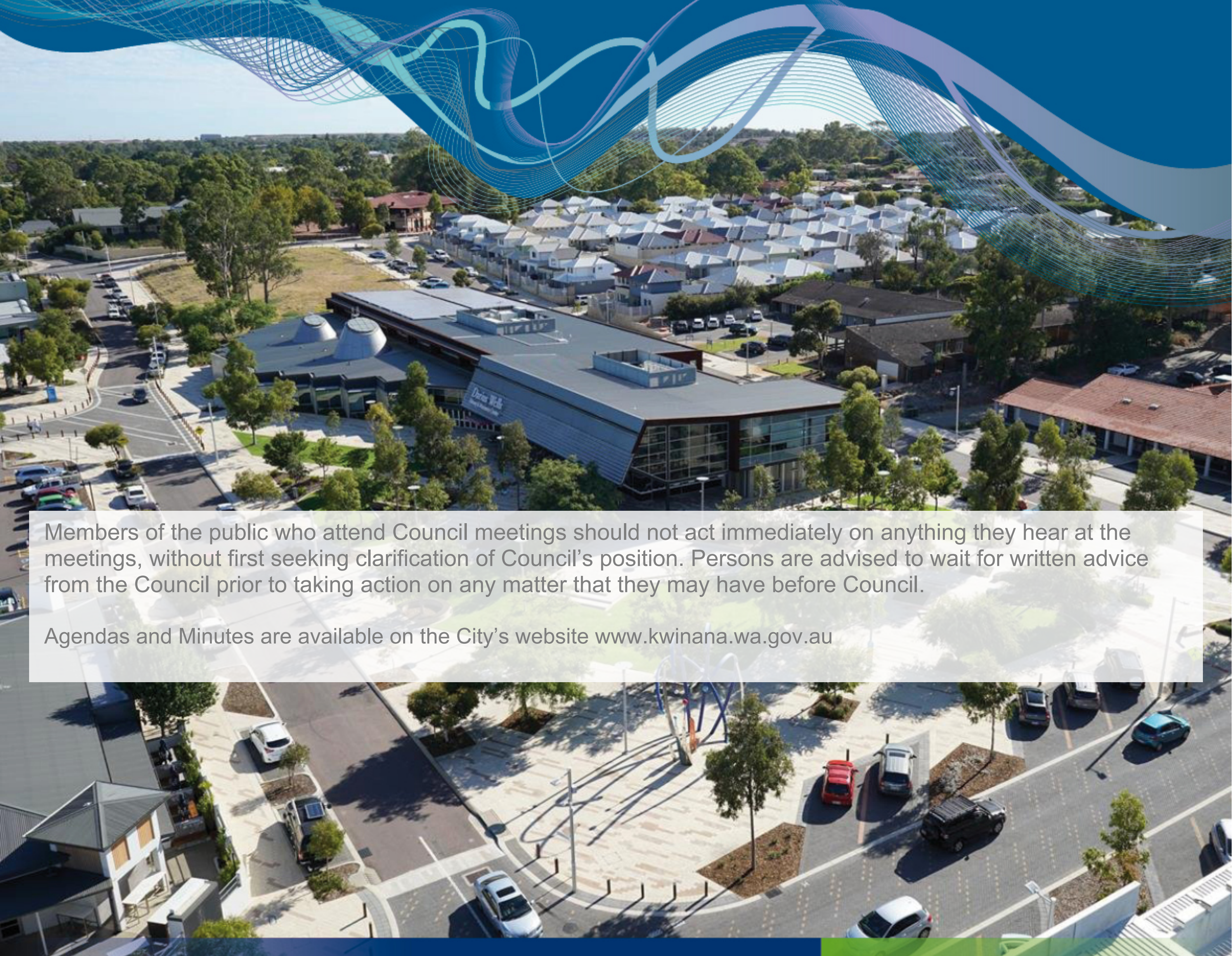
Audit, Risk and Improvement Committee Meeting

20 July 2026

Minutes



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

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

Order of Business

1 OPENING AND ANNOUNCEMENT OF VISITORS

Presiding Member declared the meeting open at 5:30 pm and welcomed all in attendance.

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)

Present:

J Cutler - Independent Audit, Risk and Improvement Committee Chair
A Kumar - Independent Audit, Risk and Improvement Committee Member (Via online)
Deputy Mayor B Winmar
Councillor D Acker

Mr W Jack - Chief Executive Officer
Mr G Bowering - Director City Development and Sustainability
Mr D Elkins - Director City Infrastructure
Ms F Grieves - Director City Life
Mrs S Wiltshire - Manager Human Resources
Mr R Mark - Manager Governance and Legal
Mrs V Patton - Senior Governance Officer
Ms A Abblitt - Council Governance and Administration Officer

Apologies:

Mayor P Feasey
Councillor E Sergeant

Leave(s) of Absence (previously approved):

Nil

4 PUBLIC QUESTION TIME

Nil

5 RECEIVING OF PETITIONS, PRESENTATIONS AND DEPUTATIONS

Nil

6 DECLARATIONS OF INTEREST

Nil

7 CONFIRMATION OF MINUTES

7.1 MINUTES OF THE AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING HELD ON 9 MARCH 2026

AUDIT, RISK AND IMPROVEMENT COMMITTEE RECOMMENDATION

Moved: Cr David Acker **Seconded: Barry Winmar**

That the Minutes of the Audit, Risk and Improvement Committee Meeting held on 9 March 2026 be confirmed as a true and correct record of the meeting.

Carried
4/0

8 REPORTS

8.1 AUDIT LOG REPORT

SUMMARY

In accordance with Regulation 16 of the *Local Government (Audit) Regulations 1996*, the Audit, Risk and Improvement Committee (Committee) supports Council in exercising effective oversight of the City of Kwinana's internal and external audit programs.

To support this function, areas identified for improvement through internal and external audits are recorded and tracked in the City's audit logs until the findings are completed. Updated audit logs, including comments from responsible officers, are presented as a standard item at each Committee meeting.

Two audit logs are presented to the Committee for its consideration. The Audit – Action Log as presented in **Attachment 8.1.1** and the Confidential ICT Audit – Action Log as presented in **Confidential Attachment 8.1.2**.

In addition to the audit logs, the Committee is provided with finalised internal and external audit reports. Since the March 2026 Committee meeting, the following reports have been submitted for noting:

- Customer Communication (Marketing and Communications), as presented at **Attachment 8.1.3**
- Economic Development, as presented at **Attachment 8.1.4**
- Environment and Health Services (Waste), as presented at **Attachment 8.1.6**
- Office of Auditor General Performance Audit: Local Government Management of Gifts and Benefits, as presented at **Attachment 8.1.5**

Audit actions arising from these audits have been incorporated into the City's Audit – Action Log. As the Stantons audits have only recently been finalised, these actions are included without a status update at this stage. An updated status will be provided to the Committee at its September 2026 meeting. In addition, the audit logs continue to record the status of all active actions arising from previous internal and external audits.

The below table provides an overview of the newly accepted audit actions that have been included within the Audit – Action Log.

Audit/Action
Environmental and Health Services (Waste) – Stantons
IA: 2025/26 (8.4) – Local Laws, Permits, and Service Contracts are Regularly Updated to Reflect Current Legislative Requirements
IA: 2025/26 (8.7) – Assess Recordkeeping, Monitoring of Waste Volumes and Contamination, and Controls for Environmental Hazards (Leachate, Odour, Spills)
IA: 2025/26 (8.9) – Assess Effectiveness of Community Recycling Initiatives, Including GO and Verge Collection Programs
Economic Development – Stantons
IA: 2025/26 (8.1) – Determine whether Responsibilities of the Economic Development Team are Clearly Defined and Aligned with Council's Strategic Plans
IA: 2025/26 (8.2) – Assess the Existence of an Approved Strategy with Measurable Objectives, Implementation Roadmaps, and Scheduled Reviews

IA: 2025/26 (8.7) – Review Coordination with Statutory Planning, Building, Environmental Health, and Regulatory Departments for Business Approvals
IA: 2025/26 (8.18) – Confirm the Economic Development Team Maintains Essential Documentation such as Work Instructions, Procedures, and Plans to ensure Efficient Service Delivery and Consistent Service Continuity
Customer and Communications – Stantons
IA: 2025/26 (8.2) - Evaluate KPIs, objectives, and performance reporting.
IA: 2025/26 (8.5) - Assess planning, approvals, procurement, and evaluation of campaigns in alignment with Council adopted programs, value-for-money, and procurement policy.
IA: 2025/26 (8.6) - Determine whether campaigns are inclusive, culturally appropriate, and representative of community diversity, and whether post-campaign evaluation measures effectiveness and value.
IA: 2025/26 (8.11) - Assess communication-related risks and mitigation strategies.
IA: 2025/26 (8.12) - Evaluate the adequacy of controls and monitoring, and the presence of a culture of continuous improvement
OAG Local Government Management of Gifts and Benefits
EA – OAG Gifts and Benefits - Education and Guidance
EA – OAG Gifts and Benefits - Implement fit for Purpose, Risk-based Monitoring and Reporting Mechanisms

The table below summarises the audit actions recorded in the Audit – Action Log that have been completed since the March 2026 Committee meeting.

Audit/Action	Risk Rating	Approved Completion Date	Status	Proposed Completion Date
Facility Maintenance Supervisor Position Review – GFG Consulting				
EA: 2025/07 (8.3) Reduce Procurement Related Administration	N/A	30 June 2026	Complete	30 June 2026
Workshop Review – IPWEA Fleet				
EA: 2024/09 (1) Roles	N/A	30 June 2026	Complete	30 June 2026
EA: 2024/09 (2) KPIs	N/A	30 June 2026	Complete	30 June 2026
EA: 2024/09 (7) Servicing	N/A	31 December 2026	Complete	31 December 2026

The City's audit logs as of June 2026 are presented at **Attachment 8.1.1** and **Confidential Attachment 8.1.2** for noting by the Committee.

OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee:

1. **Acknowledges the status of audit actions as outlined in the City of Kwinana audit logs, as presented at Attachment 8.1.1 and Confidential Attachment 8.1.2;**

2. **Note the following audit reports:**
   - **Customer Communication (Marketing and Communications), as presented at Attachment 8.1.3**
   - **Economic Development, as presented at Attachment 8.1.4**
   - **Environment and Health Services (Waste), as presented at Attachment 8.1.6**
   - **Office of Auditor General Performance Audit: Local Government Management of Gifts and Benefits, as presented at Attachment 8.1.5**

VOTING REQUIREMENT

Simple majority

DISCUSSION

<u>Internal Audits – Stantons</u>

The City engaged Stantons to complete the remaining components of the 2025/26 Internal Audit Plan. This engagement ensured completion of the three outstanding audit areas within the internal audit program.

Stantons completed audits across the following three service areas on behalf of the City:

- Customer Communication (Marketing and Communications)
- Economic Development
- Environment and Health Services (Waste)

The completed audits indicate that the City has generally effective governance frameworks, operational processes and internal controls across the audited areas.

- The Environment and Health Services (Waste) audit reported no findings or recommendations, confirming that the majority of activities reviewed were operating effectively, with only minor business improvement opportunities identified.
- The Customer Communication (Marketing and Communications) audit found that controls and governance arrangements are generally effective, with most audit areas assessed as “achieved” or “mostly achieved” with low risk ratings, and improvement opportunities primarily focused on governance formalisation, evaluation processes, and reporting.
- The Economic Development audit identified a low-risk operational environment with sound strategic alignment, but noted opportunities to strengthen governance, documentation, performance monitoring, and program management processes.

Across the audits, findings were largely low risk and focused on opportunities to improve maturity and consistency of practice, rather than addressing significant control deficiencies.

Key themes include:

- Strengthening formal governance frameworks and documentation (particularly in Customer Communication and Economic Development)
- Improving performance monitoring, KPI frameworks, and reporting visibility
- Enhancing evaluation processes, particularly for campaigns, programs, and initiatives
- Increasing consistency of documentation and recordkeeping, reducing reliance on informal practices
- Strengthening risk monitoring and governance oversight processes where activities are already operationally managed

The Environment and Health Services audit did not identify control gaps. Instead, it identified business improvement opportunities relating to contractor compliance verification, data management and reconciliation, and strengthening outcome-based evaluation measures. Management has accepted the majority of recommendations and business improvement opportunities, noting their alignment with existing practices and ongoing continuous improvement initiatives.

Consistent with the audit outcomes:

- Some recommendations were not accepted or were deemed already implemented, particularly where management considers:
  - Processes are already operating effectively in practice; or
  - Supporting procedures existed but were not fully considered during the audit.
- In the Customer Communication audit, management specifically advised that certain recommendations relating to media processes and monitoring were already in place, and this position was acknowledged by Stantons.
- In the Economic Development audit, findings were recognised as largely capacity-driven rather than performance-driven, with resourcing constraints impacting the level of formalisation and documentation.

The completion of these audits finalises the 2025/26 Internal Audit Plan, with the results indicating:

- A generally sound control environment across the audited service areas;
- Low overall risk exposure; and
- A strong focus on continuous improvement and governance maturity.

The table below provides a consolidated snapshot of the outcomes from the three Stantons internal audit reports. It is intended to assist the Committee to clearly identify which audit scope items resulted in a recommendation or suggested business improvement, and whether those findings have been accepted by management. The table also distinguishes those findings that have not been accepted, generally where existing controls are considered to be operating effectively, the matter has already been addressed, or the recommendation is not considered applicable to current operations.

The new internal audits are primarily focused on business improvement and governance maturity, rather than identifying significant control failures. Detailed findings, recommendations, management responses and agreed actions are outlined in the attached audit reports, which are provided for the Committee's review and oversight of implementation progress.

Scope Report Reference	Audit Scope	Outcomes	Recommendation	Business Improvement	Accepted
Customer Communication (Marketing and Communications)					
Strategic Alignment & Performance					
8.1	Assess alignment with Strategic Community Plan and Corporate Business Plan.	Achieved	N/A	N/A	N/A
8.2	Evaluate KPIs, objectives, and performance reporting.	Achieved	N/A	Yes	Yes
Brand Management, Policy & Compliance					
8.3	Assess consistency of branding and adherence to policies and accessibility standards (e.g., DAIP, WCAG 2.1) and legislation.	Achieved	N/A	N/A	N/A
8.4	Identify whether processes prevent misuse or misrepresentation of the City's identity and whether materials are professional, inclusive, and accessible.	Achieved	N/A	N/A	N/A
Campaigns, Events & Expenditure					
8.5	Assess planning, approvals, procurement, and evaluation of campaigns in alignment with Council adopted programs, value-for-money, and procurement policy.	Mostly Achieved	Yes	N/A	Yes
8.6	Determine whether campaigns are inclusive, culturally appropriate, and representative of community diversity, and whether post-campaign evaluation measures effectiveness and value.	Mostly Achieved	Yes	N/A	Yes
Digital Engagement and Public Information					
8.7	Determine whether the City's website, social media, and online content meet accessibility, transparency, and engagement requirements.	Achieved	N/A	N/A	N/A
8.8	Assess the effectiveness of digital platforms for community engagement and public information, including moderation, analytics, feedback, and cybersecurity/privacy considerations.	Achieved	N/A	N/A	N/A
Media and Internal Communications					
8.9	Evaluate the processes for preparing and approving media statements and public releases, managing media enquiries, issues, and crisis communications, and supporting internal messaging and staff engagement	Mostly Achieved	Yes	N/A	No
8.10	Determine whether communications are consistent with Council decisions, free from political or personal commentary, and whether media monitoring is conducted and reported.	Achieved	N/A	Yes	No
Risk Management and Continuous Improvement					
8.11	Assess communication-related risks and mitigation strategies.	Mostly Achieved	Yes	N/A	Yes

8.12	Evaluate the adequacy of controls and monitoring, and the presence of a culture of continuous improvement.	Achieved	N/A	Yes	Yes
Document Control					
8.13	Confirm availability and adequacy of procedures, guidelines, and documentation.	Achieved	N/A	N/A	N/A
Economic Development					
Strategic Alignment, Planning and Prioritisation					
8.1	Determine whether responsibilities of the Economic Development team are clearly defined and aligned with Council's strategic plans.	Achieved	N/A	Yes	Yes
8.2	Assess the existence of an approved strategy with measurable objectives, implementation roadmaps, and scheduled reviews.	Mostly Achieved	Yes	N/A	Yes
8.3	Review project and initiative prioritisation practices, including business case development and cost-benefit analyses.	Most Achieved	Yes	N/A	No
Program Delivery, Financial Oversight and Value					
8.4	Verify that economic development initiatives are delivered on time, within budget, and to specification.	Most Achieved	Yes	N/A	No
8.5	Assess adequacy of internal controls over finances, procurement, and contracting.	Achieved	N/A	Yes	No
8.6	Review monitoring of grants, subsidies, and incentives to ensure appropriate structure and oversight.	Not Applicable	N/A	N/A	N/A
Regulatory Compliance and Approvals					
8.7	Review coordination with statutory planning, building, environmental health, and regulatory departments for business approvals.	Not Applicable	N/A	Yes	Yes
8.8	Assess transparency, consistency, and timeliness of approvals, and identify any process bottlenecks or duplication.	Not Applicable	N/A	N/A	N/A
8.9	Confirm compliance with relevant legislation, planning laws, procurement rules, and conflict of interest standards.	Not Applicable	N/A	N/A	N/A
Business Engagement, Support and Investment Attraction					
8.10	Evaluate management and maintenance of business registry or database.	Not Applicable	N/A	N/A	N/A
8.11	Review strategies for business growth, retention, responsiveness to inquiries, and use of promotional/investment materials to attract investors.	Not Applicable	N/A	N/A	N/A
Land Use, Infrastructure and Community Impact					
8.12	Assess whether Local Planning/Commercial Strategy supports economic development objectives.	Not Applicable	N/A	N/A	N/A
8.13	Evaluate the governance of land, infrastructure, and industrial precinct incentives.	Not applicable	N/A	N/A	N/A
8.14	Assess monitoring and reporting of economic development impacts, including job creation, social inclusion, environmental considerations, and infrastructure capacity.	Not Applicable	N/A	N/A	N/A

Risk Management, Sustainability and Resilience					
8.15	Evaluate assessment of financial, environmental, market, and reputational risks associated with economic development initiatives.	Not Applicable	N/A	Yes	No
8.16	Determine integration of sustainability principles (green industries, circular economy) into planning.	Not Applicable	N/A	N/A	N/A
8.17	Confirm that risk management, internal controls, and continuous improvement processes are in place.	Not Applicable	N/A	N/A	N/A
Document Control					
8.18	Confirm the Economic Development team maintains essential documentation such as work instructions, procedures, and plans to ensure efficient service delivery and consistent service continuity.	Partially Achieved	Yes	N/A	Yes
Environment and Health Services (Waste)					
Strategic Alignment and Compliance					
8.1	Determine whether waste management operations and environmental initiatives are consistent with the Strategic Community Plan, Corporate Business Plan, and statutory Waste Plan.	Achieved	N/A	N/A	N/A
8.2	Verify compliance with relevant legislation, including the *Waste Avoidance and Resource Recovery Act 2007*, *Environmental Protection Act 1986*, and associated regulations.	Achieved	N/A	N/A	N/A
8.3	Confirm adherence to waste licensing, reporting, and data submission requirements, including annual Waste Plan reporting process.	Achieved	N/A	N/A	N/A
8.4	Ensure local laws, permits, and service contracts are regularly updated to reflect current legislative requirements.	Achieved	N/A	Yes	Yes
Waste Collection, Facilities Operations, and Contract Management					
8.5	Evaluate the effectiveness of contract management for kerbside collection, verge waste, and recycling services, including tendering processes, contractor monitoring, and performance standards.	Achieved	N/A	N/A	N/A
8.6	Review operations at waste transfer stations and other facilities for compliance with licences, safety standards, and procedure.	Not Applicable	N/A	N/A	N/A
8.7	Assess recordkeeping, monitoring of waste volumes and contamination, and controls for environmental hazards (leachate, odour, spills).	Achieved	N/A	Yes	Yes
8.8	Verify alignment with the City's Procurement Policy, environmental clauses, and value-for-money principles.	Achieved	N/A	N/A	N/A
Recycling, Resource Recovery, and Community Engagement					
8.9	Assess effectiveness of community recycling initiatives, including GO and verge collection programs.	Achieved	N/A	Yes	Yes

8.10	Review performance reporting against targets (diversion from landfill, contamination rates, participation levels).	Achieved	N/A	N/A	N/A
8.11	Evaluate waste education programs, communication campaigns, and stakeholder engagement strategies.	Achieved	N/A	N/A	N/A
8.12	Confirm that education outcomes are measured, reported, and support continuous improvement.	Achieved	N/A	N/A	N/A
Risk Management, Incident Management, and Continuous Improvement					
8.13	Examine identification, recording, and mitigation of waste-related risks within the corporate risk framework.	Achieved	N/A	N/A	N/A
8.14	Assess responses to recent incidents or non-compliance events.	Achieved	N/A	N/A	N/A
8.15	Evaluate cross-department collaboration (Infrastructure, Environmental Health, Community Engagement) and its contribution to environmental resilience.	Not Applicable	N/A	N/A	N/A
Financial Management and Performance Monitoring					
8.16	Review budgeting, costing, and revenue recovery processes, including waste charges, grants, and recycling rebates.	Not Applicable	N/A	N/A	N/A
8.17	Verify reconciliation between operational data and financial reporting.	Achieved	N/A	N/A	N/A
8.18	Evaluate KPIs, dashboards, and internal/external reporting mechanisms against State Waste Strategy 2030 targets.	Achieved	N/A	N/A	N/A

Accepted recommendations and business improvement opportunities have been recorded in the City's Audit – Action Log, as detailed in **Attachment 8.1.1**, and will continue to be reported to the Committee until completed.

Office of the Auditor General Performance Audit: Local Government Management of Gifts and Benefits

Following the tabling of the Office of the Auditor General (OAG) Performance Audit: Local Government Management of Gifts and Benefits in Parliament on 18 March 2026, the City received and reviewed the final report. The performance audit formed part of a broader sector-wide assessment involving six metropolitan local governments, including the City of Kwinana, and detailed examination of the Department of Local Government, Industry Regulation and Safety over the period 2019 to 2024, it evaluated the effectiveness of governance, processes and controls relating to the management of gifts and benefits, including the identification and management of associated conflicts of interest.

The process comprised:

- an initial review of publicly available gifts and benefits registers across all 147 local governments in Western Australia;
- detailed testing at six metropolitan local governments, including the City of Kwinana;
- review of policies, procedures, codes of conduct and governance controls;
- examination of procurement, contract and decision-making records;
- data analysis, including e-discovery of email correspondence to identify potential undeclared gifts or benefits;
- consultation with governance, procurement, finance and operational staff within participating entities; and

- assessment of whether the Department of Local Government, Industry Regulation and Safety is actively monitoring local government compliance with gifts and benefits requirements and providing effective sector guidance.

The audit did not assess individual conduct or seek to determine whether any specific decision was improperly influenced. Instead, it focused on evaluating the effectiveness of systems, controls and overall governance practices.
The OAG concluded that, while local governments are generally effective in disclosing gifts and maintaining transparency, improvements are required in the management of conflicts of interest arising from accepted gifts. The report also identified the need for greater clarity and consistency in sector guidance and controls.

The audit found that local governments, including the City, generally have effective transparency and disclosure practices in place, with gift registers maintained and made publicly available. However, while baseline legislative requirements are largely being met, the report identified opportunities to strengthen governance controls, particularly in relation to the consistent application of policies, clearer guidance on when gifts should be declined, and more robust decision-making frameworks for assessing gifts and benefits.

The most significant area for improvement relates to the identification and management of conflicts of interest arising from accepted gifts, particularly where individuals may be involved in procurement, contract management or purchasing decisions involving gift providers. The audit also noted that local governments could make better use of gift register data to identify trends and emerging risks, and that training and guidance should extend beyond induction to reinforce expected behaviours across staff and Elected Members.

The OAG made a series of sector-wide recommendations focused on strengthening governance frameworks rather than addressing specific entities. These include:

- enhancing policies, procedures and training
- strengthening requirements for declaration (including consideration of declined gifts)
- implementing improved monitoring, reporting and analysis mechanisms
- improving identification and management of conflicts of interest
- updating and expanding LGIRS guidance to support the broader local government sector

The City is responding proactively to the findings and is committed to implementing improvements that align with best practice, strengthen internal controls, and support ongoing integrity, transparency and public confidence in decision-making. A copy of the OAG Performance Audit is provided at **Attachment 8.1.6**.

STRATEGIC IMPLICATIONS

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

How does this proposal achieve the outcomes and strategic objectives?

While the report does not have a direct connection to the Strategic Community Plan, the City's internal audit function supports a culture of continuous improvement and business excellence. It also supports accountability and transparency in service delivery 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

There are no direct legal or policy implications arising from this report. However, the report supports compliance with the *Local Government (Audit) Regulations 1996*.

16. Functions of audit, risk and improvement committee

An audit, risk and improvement committee has the following functions —

- *a) to receive and review reports on, and recommend to the council actions to be taken in relation to —*
  - *(i) audits under Part 7 of the Act; and*
  - *(ii) compliance audits; and*
  - *(iii) reviews under regulation 17;*
- *b) to otherwise receive and review reports on the appropriateness and effectiveness of, and recommend to the council improvements to, the local government's systems and procedures in relation to —*
  - *(i) financial management; and*
  - *(ii) legislative compliance; and*
  - *(iii) risk management;*
- *c) to receive and review reports on, and recommend to the council improvements to, the implementation of any actions that the local government —*
  - *(i) is required to take under section 7.12A(3); and*
  - *(ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and*
  - *(iii) has otherwise decided to take in response to a report or recommendation referred to in paragraph (a) or (b); and*
  - *(iv) has stated it has done or proposes to do in written advice prepared under section 8.6(1)(a) or 8.23(4)(a);*
- *d) any other function conferred on the audit, risk and improvement committee under these regulations or another written law.*

FINANCIAL/BUDGET IMPLICATIONS

No financial or budget implications 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

No community engagement implications have been identified as a result of this report or recommendation.

AUDIT, RISK AND IMPROVEMENT COMMITTEE RECOMMENDATION

Moved: Cr David Acker **Seconded: Barry Winmar**

That the Audit, Risk and Improvement Committee:

1. **Acknowledges the status of audit actions as outlined in the City of Kwinana audit logs, as presented at Attachment 8.1.1 and Confidential Attachment 8.1.2;**

2. **Note the following audit reports:**
   - **Customer Communication (Marketing and Communications), as presented at Attachment 8.1.3**
   - **Economic Development, as presented at Attachment 8.1.4**
   - **Environment and Health Services (Waste), as presented at Attachment 8.1.6**
   - **Office of Auditor General Performance Audit: Local Government Management of Gifts and Benefits, as presented at Attachment 8.1.5**

Carried 4/0

Audit, Risk and Improvement Committee Comments:

Noted that the City is not incumbent in blindly accepting the auditors' findings, rather, the most critical aspect to the feedback is the consideration of the recommendations and signing off with the appropriate delegated authority. Auditors don't necessarily understand various roles and as a result findings will not be reflective of specific functions.

8.1.4 Economic Development

Having only 1.6FTE staff in the Economic Development role does not necessarily limit the City's capability to diversify our rate income - it is reflective of the size of Kwinana and we are always considering how major projects can help provide local jobs (e.g. Costco - 80 local jobs created) It is important to note that the Place Team and wider City Life directorate also contribute to the economic development of Kwinana by forming the opportunities and connections in community to fill those roles. For now, the City is in a stable place but as our tourism begins to grow with projects such as the Loop Trail, Golf Club and Regional Open Space we will revisit this.

We also have the unique opportunity with Westport generating 5000 jobs, the Common User Facility development in Henderson and AUKUS.

8.1.6 Gifts and Benefits
Noted the importance in reminding Elected Members of their obligations to declare during both electoral and term periods.

Recommended the City advocate with the Office of the Auditor General for consideration to be given a review of the local government electoral process, including electoral gift requirements.

ATTACHMENTS

1. Audit Action Log Working Document (1) [**8.1.1** - 40 pages]
2. CONFIDENTIAL - Confidential ICT Audit - Action Log [**8.1.2** - 62 pages]
3. City of Kwinana Customer Communication Internal Audit Report Final [**8.1.3** - 38 pages]
4. City of Kwinana Economic Development Internal Audit Report Final [**8.1.4** - 44 pages]
5. City of Kwinana Environmental and Health Services Internal Audit Report Final [**8.1.5** - 37 pages]
6. Report 11 - Local Government Management of Gifts and Benefits [**8.1.6** - 36 pages]

8.2 RISK MANAGEMENT REPORT

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 standing 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 Committee meeting held March 2026, there have been no significant changes to the Strategic Risk Register with only minor and tracking amendments having been undertaken to specific risk items.

As outlined in the risk management report presented to the Committee in March 2026, RiskWest was appointed to undertake a gap analysis of the City's Strategic Risk Register and broader risk management framework. This work was initiated to support the City's ongoing commitment to strengthening its risk management practices and ensuring that its strategic risks remain contemporary, relevant and aligned to the City's strategic objectives.

As part of this engagement, a strategic risk management workshop was held early this year with the City's Executive Leadership Team, facilitated by RiskWest. The workshop considered the City's current strategic risk profile, the effectiveness of the existing Strategic Risk Register, and opportunities to improve the way strategic risks are identified, described and monitored.

The City is currently reviewing its Risk Management Strategy, having regard to the outcomes and recommendations arising from the RiskWest gap analysis and strategic risk management workshop. The review is also considering the alignment between the City's Risk Management Strategy, Risk Management Policy and Strategic Risk Register, including whether the current strategic risk items should be refined to better reflect a critical success factor approach. This approach focuses on the key elements the City must effectively manage to support the achievement of its strategic objectives, including governance, financial sustainability, ICT capability, climate-related impacts, workforce capability, stakeholder engagement and fit-for-purpose assets and infrastructure.

Until such time the review is complete, and any proposed amendments are formally considered, the City will continue to maintain the existing strategic risk items within the Strategic Risk Register and address any new risk matters. However, no significant changes will be made to the current strategic items at this stage. Once the review of the Risk Management Strategy has been finalised, the draft Strategy will be presented to the Committee for comment and noting prior to being presented to Council for adoption.

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	26	**Medium**	42
		Low	2	**Low**	47
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 89 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

Local Government (Audit) Regulations 1996:

17. CEO to review certain systems and procedures

1) The CEO must review the appropriateness and effectiveness of the local government's systems and procedures in relation to the following matters —
   - *(a) financial management;*
   - *(b) legislative compliance;*
   - *(c) risk management.*

2) Under subregulation (1), the CEO may review any or all of the matters referred to in subregulation (1)(a) to (c) at any time but must review each of those matters not less than once in every 4 financial years.

3) The CEO must report to the audit, risk and improvement committee the results of each review carried out under subregulation (1).

FINANCIAL/BUDGET IMPLICATIONS

There are no financial or budget 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.

AUDIT, RISK AND IMPROVEMENT COMMITTEE RECOMMENDATION

Moved: Barry Winmar **Seconded: Cr David Acker**

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.

Carried
4/0

Audit, Risk and Improvement Committee Comments:

SR29 - Cyber Security
Confirmed that the City will engage a further independent consultant to undertake a reassessment following completion of management actions arising from the initial Avant Garde review findings. This will provide an additional level of assurance and accountability.

The Chair noted the importance of the detailed review undertaken and acknowledged the due diligence demonstrated in relation to this matter.

Residual Risks and Controls
Confirmed there are process controls in place in order to mitigate risks - Camms Risk Management software, Audit, Risk and Improvement Committee, 3 yearly internal audit plans which are subject to external scrutiny and Business Unit Review processes which mitigate any high risks.

Confirmed the City has engaged Risk West to undertake a review of the City's risk management framework, including the Strategic Risk Register, Risk Management Strategy and the City's organisational risk register.

Noted that the City will review the current low risk financial impact category.

Confirmed that the revised framework will still be given to the committee in the same way as usual.

ATTACHMENTS

1. Attachment - Risk Management Report [**8.2.1** - 13 pages]

8.3 WORK HEALTH AND SAFETY (WHS) STATISTICAL REPORT - 14 FEBRUARY 2026 - 30 JUNE 2026

SUMMARY

The City of Kwinana is committed to ensuring a safe and healthy work environment for its employees, contractors, and the community. The 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 statistical data for the period 14 February 2026 to 30 June 2026, during which 30 incidents were reported, including 16 injuries, 4 vehicle related incidents, 3 misses, 1 other and 6 public behaviour-related incidents. Of the total 30 incidents, 20 were determined as low risk and of these 11 were recorded as report only, with the remainder of a minor nature. It is important to note that the reporting period for the statistical data was extended by approximately two months due to a rescheduling of the committee meeting and as a result, it has contributed to the higher number of incidents recorded. A summary of incident types and severity ratings is provided in **Attachment 8.3.1.**

The City's Safety and Wellbeing Strategic Plan 2024-2026 has been reviewed, updated and finalised. The reviewed plan is enclosed as **Attachment 8.3.2.**

A new three-year plan has been developed for the 2026-2028 period, with a clear focus on strengthening the strategic direction and reinforcing alignment with the City's safety framework and operational processes. This plan is intended to drive measurable improvements in work health and safety outcomes, embed consistent practices across the organisation, and ensure a proactive, risk-based approach to safety and wellbeing management. Both the Strategic Work Health and Safety Committee and the WHS Committee have commenced implementation of key actions under this plan, with progress actively monitored by the Executive Leadership Team to ensure accountability and delivery against the strategic priorities. The new plan is enclosed as **Attachment 8.3.3.**

OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee:

1. **Note and provide comment where appropriate on the City WHS Statistical data report detailed in Attachment 8.3.1;**

2. **Note and provide comment where appropriate on the completed City of Kwinana Safety and Wellbeing Strategic Plan 2024-2026 detailed in Attachment 8.3.2;**

3. **Note and provide comment where appropriate on the new City of Kwinana Safety and Wellbeing Strategic Plan 2026-28 detailed in Attachment 8.3.3**

VOTING REQUIREMENT

Simple majority

DISCUSSION

Summary of Statistical Data

During the reporting period of 14 February 2026 to 30 June 2026, 30 incidents were recorded across all directorates:

- 16 injury-related incidents (2 LTI, 1 medical treatment, 2 first aid, 11 report only)
- 4 vehicle-related incidents
- 6 incidents involving public violence or inappropriate behaviour
- 3 near miss incidents, and
- 1 other incident

Breakdown by Directorate:

- City Life – 13 incidents
- City Infrastructure – 10 incidents
- City Development and Sustainability – 5 incidents
- Office of the CEO – 2 incidents.

Event severity (pre-controls) was assessed as:

- 6 medium risks
- 20 low risks
- 4 pending investigations.

The incident recorded as other relates to a medical event on City premises where two City staff were first responders. Given the inherent human factors present in such interactions, there is always a potential risk of psychological harm. The City has implemented appropriate controls to mitigate these risks, including access to the Employee Assistance Program (EAP) and follow-up and support to both the first responders.

During the reporting period, six incidents were initially assessed as medium risk (pre-controls). Of these, three involved vehicle-related incidents. Investigations determined that these events were primarily influenced by challenging driving conditions and operational circumstances, rather than failures in systems, processes, or equipment. The City continues to monitor vehicle incidents to identify trends and assess whether additional risk mitigation strategies can further reduce the likelihood of similar events.

There were six incidents involving members of the public. Three of these were initially assessed as medium severity due to the nature of the interactions and the need to involve police to support the safety and wellbeing of both staff and community members. These incidents were managed appropriately in accordance with the City's incident response procedures.

A total of 20 incidents were classified as low risk, with 11 recorded as report-only notifications that did not result in injury or damage.

While a number of injuries were recorded during the period, the majority were minor in nature and consistent with the City's operational activities. All incidents were investigated, with corrective actions implemented where appropriate to minimise the risk of recurrence.

City of Kwinana Safety and Wellbeing Strategic Plan 2024-2026

The initial Safety and Wellbeing Strategic plan was introduced to the City in 2022 as part of the City's safety framework to provide visibility across the organisation to ensure the delivery on its moral and legal obligations within the health and safety environment. The strategic plan 2024-2026 was developed on reviewing the initial plan with updated information to reflect the currency of the outcomes and actions. This plan listed five safety and wellbeing priorities and described the strategic outcomes to be achieved, the key performance measures and the progress of delivery. The inclusion of a traffic light system was incorporated to enhance the visual representation of the progress of the plan. The plan has been reviewed and updated by both the Strategic Work Health and Safety Committee and the WHS Committee and presented to the Executive Leadership team and is now tabled at the Audit, Risk and Improvement Committee for noting. Of note, any actions that are still in progress or not started have been carried forward to the new Safety and Wellbeing Strategic plan 2026-2028.

City of Kwinana Safety and Wellbeing Strategic Plan 2026-2028

The Work Health and Safety Strategic Plan for 2026–2028 has been developed to strengthen the City's strategic approach to work health and safety and enhance alignment with the City's safety framework and operational processes.

The Plan establishes the strategic direction for managing work health and safety risks and supporting the physical and psychological wellbeing of employees. It supports compliance with legislative obligations while promoting a proactive safety culture through the early identification of hazards, effective risk management, and a continued focus on employee wellbeing.

Guided by the strategic vision of *"Home Safely Everyday"*, the Plan identifies six strategic priorities to:

- Embed proactive risk management across all City operations.
- Strengthen safety leadership capability and accountability.
- Promote the physical and psychological wellbeing of employees.
- Ensure systems and processes support effective safety management.
- Maintain compliance with work health and safety legislation and standards.
- Foster consultation and participation in work health and safety across the organisation.

The 2026–2028 Plan also introduces enhanced key performance indicators to measure progress, strengthened governance and accountability arrangements, and an increased emphasis on monitoring, review and continuous improvement.

The Plan has been reviewed by the Strategic Work Health and Safety Committee and the Work Health and Safety Committee and endorsed by the Executive Leadership Team. It is now presented to the Audit, Risk and Improvement Committee for noting.

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 reult of this report or recommendation.

COMMUNITY ENGAGEMENT

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

<u>AUDIT, RISK AND IMPROVEMENT COMMITTEE RECOMMENDATION</u>

Moved: Cr David Acker **Seconded: Barry Winmar**

That the Audit, Risk and Improvement Committee:

1. **Note and provide comment where appropriate on the City WHS Statistical data report detailed in Attachment 8.3.1;**

2. **Note and provide comment where appropriate on the completed City of Kwinana Safety and Wellbeing Strategic Plan 2024-2026 detailed in Attachment 8.3.2;**

3. **Note and provide comment where appropriate on the new City of Kwinana Safety and Wellbeing Strategic Plan 2026-28 detailed in Attachment 8.3.3**

Carried
4/0

Audit, Risk and Improvement Committee Comments:

Noted that public violence and inappropriate behaviour is currently trending, mostly with customer facing staff. There are measures in place to help staff if this occurs including but not limited to debriefing, Employee Assistance Program, training, drills, and City-wide alerts.

The Committee would appreciate seeing previous trends in the data to compare.

ATTACHMENTS

1. WHS Statistical Data Report Audit and Risk Committee 14 (1) [**8.3.1** - 6 pages]
2. City of Kwinana Safety and Wellbeing Strategic Plan 2024 20 [**8.3.2** - 22 pages]
3. City of Kwinana Safety and Wellbeing Strategic Plan 2026 20 [**8.3.3** - 17 pages]

9 LATE AND URGENT BUSINESS

Nil

10 ANSWERS TO QUESTIONS WHICH WERE TAKEN ON NOTICE

Nil

11 CLOSE OF MEETING

The Chair declared the meeting closed at 6:28 pm.

Chairperson

Date: