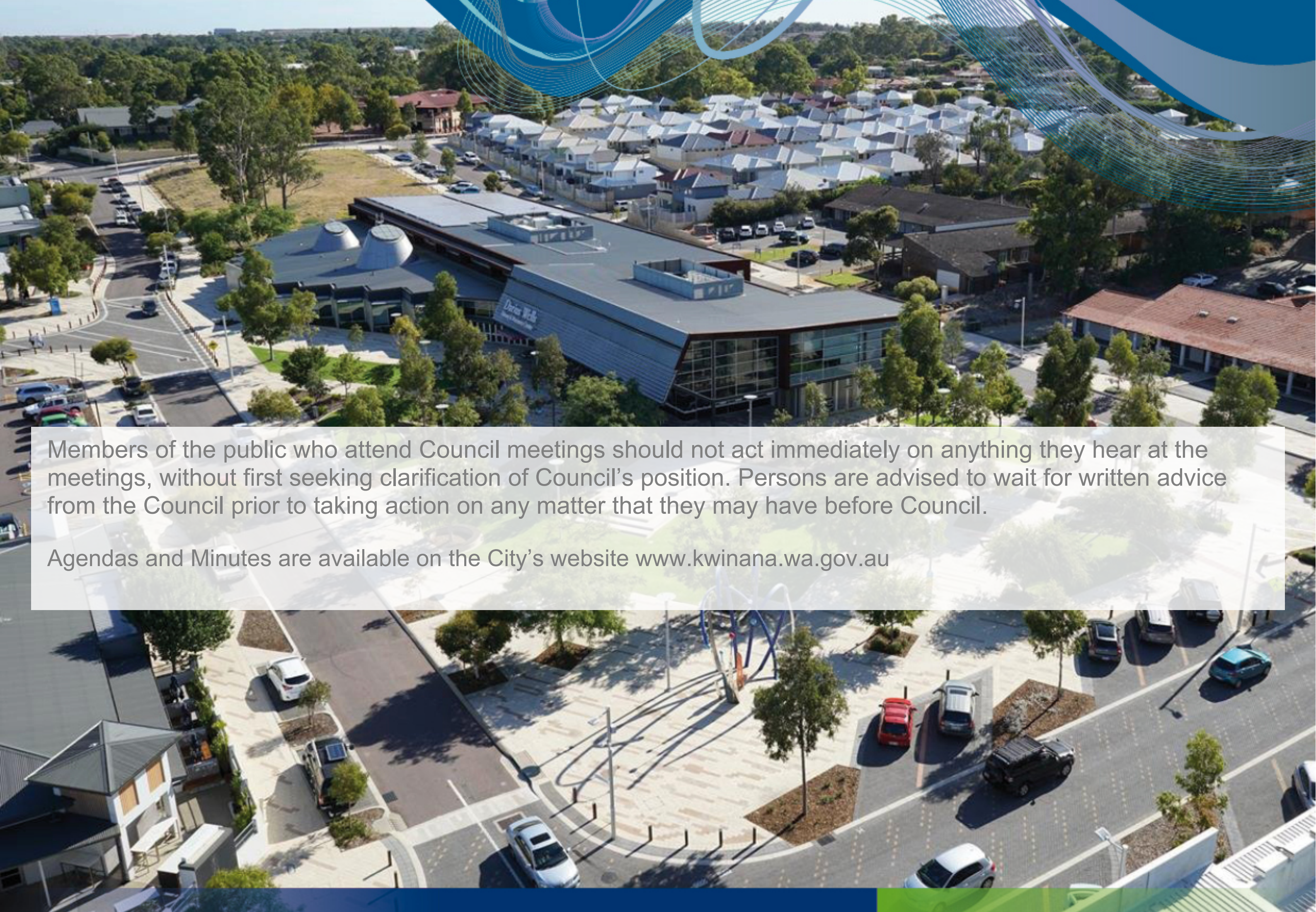
Audit, Risk and Improvement Committee Meeting

7 September 2026

Agenda

Notice is hereby given of an Audit, Risk and Improvement Committee Meeting to be held in Business Incubator Boardroom, Kwinana Technology Business Centre, commencing at 5:30pm.

Wayne Jack
Chief Executive Officer



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

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

Order of Business

1 OPENING AND ANNOUNCEMENT OF VISITORS

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 20 JULY 2026

RECOMMENDATION

That the Minutes of the Audit, Risk and Improvement Committee Meeting held on 20 July 2026 be confirmed as a true and correct record of the meeting.

8 REPORTS

8.1 AUDIT LOG REPORT

SUMMARY

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

One audit action has been completed since the July 2026 Committee meeting:

Audit/Action	Risk Rating	Approved Completion Date	Status	Proposed Completion Date
Environmental and Health Services (Waste) – Stantons				
IA: 2025/26 (8.9) – Assess Effectiveness of Community Recycling Initiatives, Including GO and Verge Collection Programs	N/A	30 June 2027	Complete	30 June 2026

Since the July 2026 Committee meeting, the regulation 17 Financial Management Review has been completed and is presented at **Attachment 8.1.3.** Audit actions arising from this audit have been incorporated into the City's Audit – Action Log.

The following are new the audit actions included within the Audit – Action Log:

Audit/Action
Australian Audit – Regulation 17, Financial Management Review
EA: 2026/27 (1) - Monitoring of Compliance with Procurement Policy or RFT and RFQ
EA: 2026/27 (2) - Purchases from Panel Contracts
EA: 2026/27 (3) - Internal Control Policy
EA: 2026/27 (4) - Cash Handling
EA: 2026/27 (5) - Investment Procedures
EA: 2026/27 (6) - Rates Debt Management
EA: 2026/27 (7) - Staff Logon Access Removal for Ex-Employees

The City has also undertaken its annual compliance review in accordance with regulation 14 of the Regulations. The review was completed using the form approved by the Local Government Inspector General, with the 2025 Compliance Audit Return presented to the Committee as a separate report under item 8.3 of this meeting agenda. There are no items of this review that are required to be included within the City's Audit – Action Log.

In addition, the City has completed its interim financial audit with the Office of the Auditor General (**OAG**). At the time of preparing this report, the City has not received a formal report from the OAG, and no findings or recommendations have been communicated. The Information Management (IT) component of the audit has commenced and will be presented to the Committee at the meeting to be held 7 December 2026.

OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee:

1. **Acknowledge 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:**
   - **Regulation 17 – Financial Management Review, as presented at 8.1.3**

VOTING REQUIREMENT

Simple majority

DISCUSSION

<u>Regulation 17 – Financial Management Review</u>

The City engaged Australian Audit to undertake an independent review of its financial management systems and procedures in accordance with regulation 17 of the *Local Government (Audit) Regulations 1996* (the **Regulations**). The review examined the adequacy and effectiveness of controls across a range of financial management activities and provides independent assurance regarding the City's financial management framework.

This review is the first to be completed under the amended legislative framework that commenced on 1 January 2026. Prior to these amendments, local governments were required to undertake a standalone Financial Management Review under regulation 5 of the *Local Government (Financial Management) Regulations 1996*. The legislative changes removed this standalone requirement and incorporated the review of financial management systems into the broader regulation 17 review process under the Regulations. The amendments also extended the review cycle from once every three years to once every four financial years. Accordingly, future reviews of the City's financial management systems will be undertaken as part of the consolidated regulation 17 review process on a four-year cycle.

Australian Audit concluded that no high-risk matters were identified during the review and that the City's financial management systems are satisfactory. While several recommended process improvements were identified, all findings were assessed as low risk and related to the strengthening of controls, processes and documentation. The review did not identify any significant deficiencies requiring immediate management intervention.

During the review, Australian Audit observed that the Chief Executive Officer was not listed in the Annual Financial Authorisation Limits Memo as an officer authorised to approve purchase orders, despite one purchase order within the sample testing having been approved by the Chief Executive Officer. Management confirmed that this omission was an oversight. The matter was addressed immediately, with the Annual Financial Authorisation Limits for Procurement, Purchasing and Procurement and Purchasing Exemptions – 1 July 2026 to 30 June 2027 updated to include Chief Executive Officer purchase order authority, effective 30 June 2026.

The review outcome provides assurance that the City's financial management framework is operating effectively and that appropriate controls are in place across the areas examined. Management has reviewed the findings and has committed to implementing the recommended improvement actions within agreed timeframes.

Progress against the accepted actions will be monitored through the City's Audit – Action Log, as detailed in **Attachment 8.1.1**, and will continue to be reported to the Committee until completed.

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.

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

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.

ATTACHMENTS

1. Audit - Action Log - Working Document [**8.1.1** - 55 pages]
2. CONFIDENTIAL ICT - Audit Log [**8.1.2** - 83 pages]
3. Regulation 17 - Financial Management Review Report - Final [**8.1.3** - 14 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 July 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.

The City is currently reviewing its Risk Management Framework, 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.

In addition to the above, the City is incorporating the feedback provided by the Committee at the meeting held 20 July 2026 into the current review of the City's risk management framework. This includes evaluating the City's risk appetite ratings, particularly within the financial impact category, the suitability of current risk acceptance criteria, and opportunities to improve the clarity, consistency and usability of the City's risk registers. The review will also consider whether similar or overlapping operational risks can be consolidated into broader organisational risks, where appropriate, to support more effective monitoring, reporting and management of risk across the organisation. This approach has already been applied to the City's Work Health and Safety risk items.

Until the review's completion and formal consideration of any proposed amendments, 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.

ATTACHMENTS

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

8.3 2025 COMPLIANCE AUDIT RETURN

SUMMARY

Regulation 14 of the *Local Government (Audit) Regulations 1996* requires each local government to undertake an annual audit of its compliance with prescribed provisions of the *Local Government Act 1995* and associated regulations for the period 1 January to 31 December each year. Following completion of the audit, a Compliance Audit Return is required to be prepared in the form approved by the Local Government Inspector General.

The City has completed its 2025 Compliance Audit Return for the period 1 January 2025 to 31 December 2025. The return identifies a strong overall level of compliance across the matters assessed, however two areas of non-compliance were identified.

For the 1 January 2025 to 31 December 2025 audit period, the Local Government Inspector deferred the submission deadline to 30 September 2026 and limited the prescribed audit requirements for that reporting period. The Audit, Risk and Improvement Committee is required to review the 2025 Compliance Audit Return and report the results of that review to Council. Following Council adoption, the completed return is required to be certified by the Mayor and Chief Executive Officer and submitted to the Local Government Inspector by the amended deadline.

OFFICER RECOMMENDATION

That the Audit, Risk and Improvement Committee in accordance with regulation 14 of the *Local Government (Audit) Regulations 1996*:

1. **Review the City of Kwinana 2025 Compliance Audit Return for the period 1 January 2025 to 31 December 2025, as provided at Attachment 8.3.1;**

2. **Notes the findings of the 2025 Compliance Audit Return, including the identified area of non-compliance and the corrective actions proposed;**

3. **Reports to Council that it has completed its review of the City of Kwinana 2025 Compliance Audit Return; and**

4. **Recommend that Council:**
   a) **adopt the City of Kwinana 2025 Compliance Audit Return, as provided at Attachment 8.3.1; and**
   b) **notes the corrective actions as provided in response to the identified area of non-compliance.**

VOTING REQUIREMENT

Simple majority

DISCUSSION

In accordance with regulation 14 of the *Local Government (Audit) Regulations 1996* (**Regulations**), the City of Kwinana (**City**) is required to undertake an annual audit of its compliance with prescribed legislative requirements for the period 1 January to 31 December each year and prepare a Compliance Audit Return (**CAR**) in a form approved by the Local Government Inspector General (**Inspector**).

The CAR is a statutory self-assessment mechanism that enables local governments to assess compliance with key requirements of the *Local Government Act 1995* and associated regulations. It forms an important component of the City's legislative compliance, accountability and governance framework.

Local governments received advice from the Inspector earlier in the year that the submission deadline for the 2025 Compliance Audit Return has been extended from 31 March 2026 to 30 September 2026. The Inspector also issued a limited Compliance Audit Return for the 2025 reporting period, reducing the scope of questions required to be completed.

The City has completed its assessment for the period 1 January 2025 to 31 December 2025 using the approved 2025 Compliance Audit Return issued by the Inspector. The The completed return is provided at **Attachment 8.3.1** for review by the Audit, Risk and Improvement Committee (**ARIC**).

ARIC's role is to review the completed return and report the results of that review to Council, including any recommendations it considers appropriate. Council is then required to consider the return, the results of ARIC's review and any recommendations before determining whether to adopt the return or adopt it subject to amendments.

The City's review identified a strong level of compliance across the legislative provisions included in the approved 2025 Compliance Audit Return. Two areas of non-compliance were identified in relation to section 5.104 of the Act and regulation 19B of the Regulations.

The table below summarises the two non-compliance findings identified in the City's 2025 Compliance Audit Return. It includes the relevant legislative reference, the question answered, the City's recorded response and corrective action taken to rectify the matter.

Legislation	Question answered	City response/finding	Corrective action to rectify matter
s.5.104 (3) and (4) of the *Local Government Act 1995*	Does it comply with section 5.104(3) and (4) of the Local Government Act 1995?	No. A review undertaken in 2026 identified that some additional provisions included in the Code had not been located within the appropriate division of the Code as required by section 5.104(3) and (4). The Code has	The Code has since been rectified, with the additional provisions now included within the appropriate section.

		since been amended to relocate these provisions to Division 3, consistent with legislative requirements and WALGA guidance.	
r.19B of the *Local Government (Administration) Regulations 1996*	Did the local government include in its annual report all information required under section 5.53(2)(g) and (i) and regulation 3A(2), including number of employees in salary bands over $130,000, remuneration and allowances paid, ordered payments, CEO remuneration, council member meeting attendance, available demographic information about council members, and details of any modifications to the strategic community plan or significant modifications to the corporate business plan?	No. A review of the City's 2024/25 Annual Report confirmed that most required information was included, including employee salary band disclosures. However, the Annual Report did not separately disclose the remuneration paid or provided to the Chief Executive Officer during the financial year. It was understood that the salary band table satisfied the CEO remuneration disclosure requirement, resulting in the specific CEO remuneration disclosure being inadvertently omitted.	The Annual Report Work Instruction has been updated to include a Legislative Compliance Checklist addressing the requirements of s.5.53(2)(g) and (i) of the *Local Government Act 1995* and r.19B of the *Local Government (Administration) Regulations 1996*. The checklist clarifies officer responsibilities, requires specific verification of CEO remuneration disclosures, and builds in additional Governance and Legal Team review points prior to finalisation of future annual reports.

Following consideration by ARIC, the completed CAR and ARIC's recommendation will be presented to Council for consideration and adoption. Following adoption, the return is required to be signed by the Mayor and Chief Executive Officer and submitted to the Inspector, together with the relevant Council minutes and any additional explanatory information, by 30 September 2026.

The City has not received advice from the Inspectorate regarding the 2026 Compliance Audit Return or any extension to the usual reporting timeframe. Unless otherwise advised, the City will proceed on the basis that the 2026 return is due by 31 March 2027, with preparation to recommence shortly after the 2025 process is completed.

STRATEGIC IMPLICATIONS

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

How does this proposal achieve the outcomes and strategic objectives?

There are no direct links to specific outcomes or objectives within the City's Strategic Community Plan or Corporate Business Plan. However, this report supports the Leadership / Boordiya Katidjin outcome by promoting accountable and ethical governance, continuous improvement and efficiency, proactive leadership, and a positive customer experience through the review, reporting and strengthening of the City's legislative compliance framework.

SUSTAINABILITY FRAMEWORK

Sustainability Guiding Principle
8 - Integrated and Transparent Decision-making

Sustainability Priority Area
3 - Liveability

LEGAL/POLICY IMPLICATIONS

The Compliance Audit Return does not identify any resulting invalidity of Council decisions, enforcement action or material legal or financial consequence. However, continued or systemic non-compliance could attract increased scrutiny from the Local Government Inspector and presents governance and reputational risk.

The City has implemented corrective measures for both matters, including amendment of the Code of Conduct and strengthening of the Annual Report compliance review process, to address the identified deficiencies and reduce the likelihood of recurrence. ARIC's consideration of the corrective actions is consistent with its statutory function to review compliance audits and recommend improvements to the City's legislative compliance systems and procedures.

The following outlines applicable legislation:

Local Government (Audit) Regulations 1996

14. Compliance audits

(1) A local government must carry out an audit (a compliance audit) of the local government's compliance with the statutory requirements prescribed by regulation 13 for the period beginning on 1 January and ending on 31 December in each year.

(1A) Subregulation (1) is subject to regulation 15A.

(2) After a local government has carried out a compliance audit, the CEO must —

(a) prepare a compliance audit return in a form approved by the Inspector; and

(b) give a copy of the compliance audit return to the local government's audit, risk and improvement committee.

(3) The audit, risk and improvement committee must —

(a) review the compliance audit return; and

(b) report to the council the results of that review.

(4) When reporting to the council, the audit, risk and improvement committee must make any recommendations that the committee considers appropriate in relation to the compliance audit return.

(5) The council must consider the compliance audit return and the results of the audit, risk and improvement committee's review (including any recommendations) at a meeting of the council.

(6) The council must —

(a) determine if any matters raised by the audit, risk and improvement committee require action to be taken by the local government; and

(b) either —

(i) adopt the compliance audit return; or

(ii) adopt the compliance audit return subject to amendments proposed by the council.

15. Signed compliance audit return and other information must be given to Inspector

(1) After a compliance audit return has been adopted by the council under regulation 14(6)(b), the local government must give the following information to the Inspector —

(a) a copy of the compliance audit return (or amended compliance audit return, if applicable), signed by the mayor or president and by the CEO;

(b) any recommendations made under regulation 14(4) after the audit, risk and improvement committee has reviewed the compliance audit return;

(c) a copy of the relevant section of the minutes of the meeting at which the compliance audit return was adopted by the council;

(d) any additional information explaining or qualifying the compliance audit.

(2) The information must be given to the Inspector no later than 31 March next following the period to which the return relates.

(3) The Inspector may extend the 31 March deadline.

15A. Inspector may limit prescribed statutory requirements to be covered by compliance audit

(1) In this regulation —

period means a period for which a compliance audit is required under regulation 14(1) that begins on or after 1 January 2026;

prescribed statutory requirement means a statutory requirement prescribed by regulation 13.

(2) The Inspector may, in respect of a period, determine that a compliance audit —

(a) is not to cover all of the prescribed statutory requirements; and

(b) is instead to cover only the prescribed statutory requirements specified in the determination.

(3) The determination must be reflected in the form approved under regulation 14(2)(a) for the period.

(4) Subregulation (5) applies if —

(a) the Inspector makes determinations under subregulation (2) in respect of 3 consecutive periods; and

(b) there is a prescribed statutory requirement that is specified under subregulation (2)(b) in none of those determinations.

(5) If the Inspector makes a determination under subregulation (2) in respect of the period immediately after the 3 consecutive periods, the prescribed statutory requirement referred to in subregulation (4)(b) must be specified under subregulation (2)(b) in that determination (without limiting the other prescribed statutory requirements that may be specified).

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

There are no financial or budget implications in relation to this report and its recommendation.

ASSET MANAGEMENT IMPLICATIONS

There are no asset management implications in relation to this report and its recommendation.

ENVIRONMENTAL/PUBLIC HEALTH IMPLICATIONS

There are no environmental or public health implications in relation to this report and its recommendation.

COMMUNITY ENGAGEMENT

There are no community engagement implications in relation to this report and its recommendation.

ATTACHMENTS

1. Compliance Audit Return L G- CA R-539443 (1) [**8.3.1** - 25 pages]

8.4 WORK HEALTH AND SAFETY (WHS) STATISTICAL REPORT - 1 JULY 2026 - 27 AUGUST 2026

SUMMARY

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

This report includes Work Health and Safety (WHS) statistical data for the period 1 July 2026 to 27 August 2026, during which 22 incidents were reported, including 10 injuries, 6 vehicle-related incidents, 1 equipment-related incident and 5 public behaviour-related incidents. Of the 22 total incidents recorded, 19 were assessed as low risk. Of the 10 injuries reported, 5 were recorded as "report only," where the individual indicated they had felt pain but did not require any intervention. Separately, 6 incidents involved vehicles and were classified as low impact, occurring during manoeuvring. A summary of incident types and severity ratings is provided in **Attachment 8.4.1.**

OFFICER RECOMMENDATION **That the Audit, Risk and Improvement Committee note and provide comment where appropriate on the City of Kwinana WHS Statistical data report detailed in Attachment 8.4.1**

VOTING REQUIREMENT

Simple majority

DISCUSSION

Summary of Statistical Data

During the reporting period of 1 July 2026 to 27 August 2026, 22 incidents were recorded across all directorates:

- 10 injury-related incidents (2 LTIs, 1 medical treatment, 2 first aid, 5 report only),
- 6 vehicle-related incidents,
- 5 incidents involving public violence or inappropriate behaviour, and
- 1 equipment.

Of the injury-related incidents, 5 were recorded as "report only." In each case, the employee described undertaking a task during which they experienced a sensation of pain but did not require any further assistance or intervention.

This pattern of reporting indicates a growing awareness among employees of the value of reporting incidents, particularly as early reporting supports the mitigation of risks and the implementation of controls into the future. This trend is further supported by the incident count data, which shows an increase in reported incidents over the past two months.

Investigations into the 6 low impact vehicle incidents determined that these events were influenced by challenging driving conditions and circumstances, rather than systemic failures. In response, the City has reinforced awareness and risk mitigation strategies through targeted employee education, aimed at reducing the likelihood of similar occurrences in the future.

The remaining five incidents involved members of the public. 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 Employee Assistance Program (EAP) services and, where necessary, engagement with police to support the safety and wellbeing of staff and the community.

Breakdown by Directorate:

- City Life – 11 incidents
- City Infrastructure – 9 incidents
- City Development and Sustainability – 1 incident
- Office of the CEO – 1 incident.

Event severity (pre-controls) was assessed as:

- 1 medium risk
- 21 low risks

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 8.4.1.**

STRATEGIC IMPLICATIONS

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

How does this proposal achieve the outcomes and strategic objectives?

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

SUSTAINABILITY FRAMEWORK

Sustainability Guiding Principle
8 - Integrated and Transparent Decision-making

Sustainability Priority Area
7 - Innovation

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

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

LEGAL/POLICY IMPLICATIONS

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

17. CEO to review certain systems and procedures

(1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —

(a) risk management; and

(b) internal control; and

(c) legislative compliance.

(2) The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.

(3) The CEO is to report to the audit committee the results of that review.

FINANCIAL/BUDGET IMPLICATIONS

Nil

ASSET MANAGEMENT IMPLICATIONS

Nil

ENVIRONMENTAL/PUBLIC HEALTH IMPLICATIONS

Nil

COMMUNITY ENGAGEMENT

Nil

ATTACHMENTS

1. WHS Statistical Data Report - Audit, Risk and Improvement Committee - 01 July 2026 to 27 August 2026 [**8.4.1** - 7 pages]

9 LATE AND URGENT BUSINESS

10 ANSWERS TO QUESTIONS WHICH WERE TAKEN ON NOTICE

11 CLOSE OF MEETING