



TOWN OF  
VICTORIA PARK

## Audit and Risk Committee Agenda – 19 February 2025

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**WE'RE OPEN**  
**VIC PARK**

Please be advised that an **Audit and Risk Committee** will be held at **5.30 PM** on **Wednesday 19 February 2025** in **Council Chambers**, Administration Centre at 99 Shepperton Road, Victoria Park.

**Mr Carl Askew – Chief Executive Officer**  
14 February 2025

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# 1 Declaration of opening

## Acknowledgement of Country

*Ngany djerapiny Wadjak – Noongar boodja-k yaakiny, nidja bilya bardook.*

I am honoured to be standing on Whadjuk - Nyungar country on the banks of the Swan River.

*Ngany kaaditj Noongar moort keny kaadak nidja Wadjak Noongar boodja. Ngany kaaditj nidja Noongar birdiya – koora, ye-ye, boorda, baalapiny moorditj Noongar kaadijtin, moort, wer boodja ye-ye.*

I acknowledge the traditional custodians of this land and respect past, present and emerging leaders, their continuing cultural heritage, beliefs and relationship with the land, which continues to be important today.

*Ngany youngka baalapiny Noongar birdiya wer moort nidja boodja.*

I thank them for the contribution made to life in the Town of Victoria Park and to this region.

## 2 Attendance

<b>Presiding Member</b>	Mayor Karen Vernon
<b>Banksia Ward</b>	Cr Claire Anderson
<b>Jarrah Ward</b>	Cr Jesse Hamer
<b>Independent Committee Members</b>	Mr Jonathan Seth
<b>Chief Executive Officer</b>	Mr Carl Askew
<b>Chief Financial Officer</b>	Mr Duncan Olde
<b>Manager Governance and Strategy</b>	Ms Bernadine Tucker
<b>Coordinator Governance and Strategy</b>	Ms Felicity Higham
<b>Meeting Secretary</b>	Ms Winnie Tansanguanwong

### 2.1 Apologies

### 2.2 Approved leave of absence

<b>Jarrah Ward</b>	Cr Daniel Minson
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## **3 Declarations of interest**

### **3.1 Declarations of financial interest**

A declaration under this section requires that the nature of the interest must be disclosed. Consequently, a member who has made a declaration must not preside, participate in, or be present during any discussion or decision-making procedure relating to the matter the subject of the declaration. An employee is required to disclose their financial interest and if required to do so by the Council must disclose the extent of the interest. Employees are required to disclose their financial interests where they are required to present verbal or written reports to the Council. Employees can continue to provide advice to the Council in the decision-making process if they have disclosed their interest.

### **3.2 Declarations of proximity interest**

Elected members (in accordance with Regulation 11 of the Local Government [Rules of Conduct] Regulations 2007) and employees (in accordance with the Code of Conduct) are to declare an interest in a matter if the matter concerns: a) a proposed change to a planning scheme affecting land that adjoins the person's land; b) a proposed change to the zoning or use of land that adjoins the person's land; or c) a proposed development (as defined in section 5.63(5)) of land that adjoins the persons' land.

Land, the proposed land adjoins a person's land if: a) the proposal land, not being a thoroughfare, has a common boundary with the person's land; b) the proposal land, or any part of it, is directly across a thoroughfare from, the person's land; or c) the proposal land is that part of a thoroughfare that has a common boundary with the person's land. A person's land is a reference to any land owned by the person or in which the person has any estate or interest.

### **3.3 Declarations of interest affecting impartiality**

Elected members (in accordance with Regulation 11 of the Local Government [Rules of Conduct] Regulations 2007) and employees (in accordance with the Code of Conduct) are required to declare any interest that may affect their impartiality in considering a matter. This declaration does not restrict any right to participate in or be present during the decision-making process. The Elected Member/employee is also encouraged to disclose the nature of the interest.

## 4 Confirmation of minutes

### Recommendation

That the Audit and Risk Committee confirms the minutes of the Special Audit and Risk Committee meeting held on 19 December 2024.

## 5 Presentations

Nil.

## 6 Method of dealing with agenda business

### Recommendation

That the Audit and Risk Committee in accordance with clause 58 of the *Meeting Procedures Local Law 2019* suspends clause 50 - Speaking twice of the *Meeting Procedures Local Law 2019* for the duration of the meeting.

## 7 Reports

### 7.1 Corporate Business Plan Quarter 2 Progress Report Oct - Dec 2024

<b>Location</b>	Town-wide
<b>Reporting officer</b>	Corporate Performance Officer
<b>Responsible officer</b>	Chief Executive Officer
<b>Voting requirement</b>	Simple majority
<b>Attachments</b>	1. CBP Report Q2 (Oct- Dec 2024) [7.1.1 - 47 pages]

### Summary

#### Recommendation

That the Audit and Risk Committee recommends that Council:  
accepts the Corporate Business Plan Quarter 2 Progress reports for 1 October – 31 December 2024.

### Background

1. At the Ordinary Council Meeting held 17 September 2024, Council resolved to receive one consolidated quarterly progress report on the actions, projects and outcomes of the Towns plans and strategies.
2. The quarterly progress reports enable Council to assess performance against strategies and plans, identify risks and significant variations in project performance and budgeting, receive information needed to be able to make informed decisions and to take action to address any issues that arise.
3. Quarterly reporting also gives the Council a higher level of transparency and accountability relating to strategic actions, plans and projects.

### Discussion

4. An amended Corporate Business Plan 2023-2027 (CBP) was endorsed by Council on 16 July 2024.
5. Attachment 1 provides all actions for this financial year except those that have already been completed. The status of actions from the CBP for this financial year are below.

<b>Strategic outcome</b>	<b>Total Actions</b>	<b>No. of actions completed</b>	<b>No of actions overdue</b>	<b>No. of actions behind</b>	<b>No. of actions on track</b>
Social	26	1	0	0	25
Economic	5	0	0	0	5

Environment	26	3	0	3	20
Civic Leadership	23	0	1	3	19
<b>Totals</b>	<b>80</b>	<b>4</b>	<b>1</b>	<b>6</b>	<b>69</b>

6. In Attachment 1, some of the projects (for example Stakeholder Relations) were marked as 100% complete last quarter. However, these are ongoing projects. The percentages have been moved to below 100% this quarter, so that the written updates can still be seen by Council.

## Relevant documents

Not applicable

## Legal and policy compliance

[Section 2.7 of the Local Government Act 1995](#)

## Financial implications

<b>Current budget impact</b>	Sufficient funds exist within the annual budget to address this recommendation.
<b>Future budget impact</b>	Not applicable

## Risk management consideration

Risk impact category	Risk event description	Risk rating	Risk appetite	Risk Mitigation
Financial	Not Applicable		Low	
Environmental	Not Applicable		Medium	
Health and safety	Not Applicable		Low	
Data, Information Technology and Cyber	Not Applicable		Medium	
Assets	Not Applicable		Medium	
Compliance Breach	Not Applicable		Low	



Reputation	Negative public perception towards the Town in relation to transparency	Low	TREAT risk by ensuring accuracy of reporting and additional highlighting of any items of note within the report
Service delivery interruption	Not Applicable	Medium	

## Engagement

### Internal engagement

Governance and Strategy	Governance and Strategy coordinates the progress reports for Corporate Business Plan actions with input from all relevant service areas across the organisation.
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## Strategic alignment

Civic Leadership	
Community Priority	Intended public value outcome or impact
CL1 – Effectively managing resources and performance.	Council is provided with information on the progress of items contained within the CBP to effectively manage resources and organisational performance.
CL3 - Accountability and good governance.	The Council and community are provided with a higher level of transparency and accountability relating to strategic actions, plans and projects

## Further consideration

## 7.2 Audit Actions Quarter 2 Update Report Oct - Dec 2024

<b>Location</b>	Town-wide
<b>Reporting officer</b>	Manager Governance and Strategy
<b>Responsible officer</b>	Chief Executive Officer
<b>Voting requirement</b>	Simple majority
<b>Attachments</b>	<ol style="list-style-type: none"><li>1. CONFIDENTIAL REDACTED - Open Audit Actions Q2 (Oct- Dec 2024) [7.2.1 - 6 pages]</li><li>2. CONFIDENTIAL REDACTED - AUDIT DASHBOARD [7.2.2 - 1 page]</li></ol>

### Summary

#### Recommendation

The Audit and Risk Committee recommends that Council:  
Receives the Audit Update Report for December 2024 as contained in Attachment 1

### Background

1. The 2023-2026 Internal Audit Program was adopted by Council on 19 June 2023.
2. For 2024/2025, the following Audits are scheduled:
  - a) Emergency Management
  - b) Leases and Licensing Management
  - c) Assessment of Operational Risks

### Discussion

3. The Lease and Licensing Management audit commenced on 13 November 2024 in line with the 2024/25 internal audit program. It is anticipated this audit will be finalised in February 2025.
4. In addition, the Town's Annual Financial Report was audited by the Office of Auditor General. This audit identified one significant, four moderate and one minor finding. These have been added to the Audit register as actions.
5. All other outstanding audit actions are being monitored.
6. Last quarter there were 18 outstanding audit actions at 60% completion. Since then, 6 actions have been added and 13 completed. There are now 11 outstanding actions that are 43% complete.

### Relevant documents

Not applicable

### Legal and policy compliance

[Local Government \(Audit\) Regulations 1996](#)

## Financial implications

<b>Current budget impact</b>	Sufficient funds exist within the annual budget to address this recommendation.
<b>Future budget impact</b>	Not applicable

## Risk management consideration

Risk impact category	Risk event description	Risk rating	Risk appetite	Risk Mitigation
Financial	Not adopting an internal audit program means we can't test our financial controls and mitigate financial loss through administrative errors, fraud, and corruption.	High	Low	TREAT risk by Adopting an internal program with a focus area on high-risk financial processes and activities.
Environmental	Not applicable		Medium	Not applicable
Health and safety	Not applicable		Low	Not applicable
Data, Information Technology and Cyber	If the Town does not adopt an internal audit program, there will be a reduction in testing of its systems and their security. This will reduce the Town's ability to mitigate information losses from administrative errors, fraud and corruption.	Medium	Medium	TREAT risk by ensuring commitment to management actions to address findings.
Assets	Not applicable		Medium	Not applicable
Compliance Breach	Not adopting an internal audit program means we cannot test our legislative compliance and mitigate financial loss through administrative errors, fraud, and corruption.	High	Low	TREAT risk by ensuring commitment to management actions to address findings.
Reputation	A poorly designed Internal Audit Program will make the Town vulnerable to non-	Moderate	Low	TREAT risk by ensuring commitment to management actions to address findings.

	compliance, fraud and corruption risks which adversely impact on the Town's reputation.		
Service delivery interruption	Not applicable	Medium	Not applicable

## Engagement

Internal engagement	
Stakeholder	Comments
Business unit managers	Providing responses and supporting documentation to the internal auditors. Providing quarterly updates and % completion for audit actions.
C-Suite	Noting the final internal audit outcomes.

## Strategic alignment

Civic Leadership	
Community Priority	Intended public value outcome or impact
CL1 – Effectively managing resources and performance.	Internal audits promote integrity and identify areas for improvement
CL3 - Accountability and good governance.	As internal audit is a key pillar of organizational governance, a robust internal audit program, with oversight from the Audit Committee, will enable the Town to have a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, internal controls, and governance processes. The business improvements that result from an effective internal audit program will add value to the way the Town runs its business.

## Further consideration

## 7.3 Quarterly Risk Management Report

<b>Location</b>	Town-wide
<b>Reporting officer</b>	Manager Governance and Strategy
<b>Responsible officer</b>	Chief Executive Officer
<b>Voting requirement</b>	Simple Majority
<b>Attachments</b>	1. CONFIDENTIAL REDACTED - Strategic Risk Register [7.3.1 - 6 pages]

### Summary

This report provides information to the Audit and Risk Committee on the management of the Town's risks.

#### Recommendation

That the Audit and Risk Committee recommends that Council:

1. Notes the actions undertaken by the Town in relation to the management of operational and strategic risks.
2. Notes the Strategic Risk Register in Confidential Attachment 1.
3. Accepts reporting on an annual basis every March for the previous calendar year.

### Background

1. The Town of Victoria Park has a suite of documents to manage and guide the Town's actions in response to risk management. This includes Policy 004 Risk Management, a Risk Management Framework and Management Practice, and a strategic and operational risk register.
2. In line with good risk management principles, all high and significant risks are reported to the Audit and Risk Committee.

### Discussion

3. Policy 004 Risk Management was reviewed and amended on 13 December 2022 and then administratively amended on 24 August 2023. This policy is due for revision and is being presented to the 24 March 2025 Policy Workshop.
4. The Risk Management Framework (Framework) was revised by Council on 18 July 2023 with minor edits. A Council workshop was then held on 14 October 2024 to discuss a revision of the Framework, with proposed amendments subsequently being endorsed by Council on 10 December 2024.
5. The major update to the Framework included edits to the names of the Risk Impact categories, amending the corresponding descriptions, deleting the Infrastructure/ICT Systems/Utilities category and implementing two new categories, titled 'Assets' and 'Data, Information Technology and Cyber'.
6. The Risk Appetite and Opportunities table was also amended to reflect the changes to the Risk Impact Categories and the Risk Consequences table amended to reflect the new naming conventions, and new ratings have been added for the new categories of Information Security and Assets.
7. The Risk Management Practice was last reviewed on 3 November 2020. This management practice will undergo a further review following the outcome of the Policy 004 Risk Management review.

8. The Town has a Risk Management Working Group (RMWG) which comprises 10 staff across the for Directorates with responsibility to:
  - Identify, evaluate and document potential operational risks
  - Identify and document the appropriate measures which are in place to control identified risks
  - Assess the effectiveness of risks control measures (for efficiency and effectiveness) using reliable sources of information regarding both the potential consequences and likelihood of an event occurring as per the AS/NZ ISO 31000:2018 methodology
  - Identify priority risk treatment areas and make recommendations in relation to these to C-Suite via formalised reporting mechanisms.
9. The RMWG is to meet at least quarterly with the Minutes from meetings, along with any recommendations being proposed, being presented to C-Suite for endorsement. C-Suite endorsements and decisions relating to risk management will then be included in a quarterly report to the Audit and Risk Committee.
10. The RMWG last met on 18 June 2024. The next RMWG is scheduled for February 2025. An update on the actions from this meeting will be provided to the next Audit and Risk Committee.
11. The Strategic Risk Register was reviewed in a workshop with Council and the Audit and Risk Committee in 2024 with a new register being developed.
12. The new Strategic Risk Register was endorsed by Council on 10 December 2024.
13. Although being endorsed, there was also a request to allocate responsibility for the strategic risk register actions. The register was updated with this information and approved by C-Suite. The updated register is attached for information.
14. Since this workshop, no new strategic risks have been identified.

#### Audits

15. The Town completed all internal audits for 2023/24 as per the Internal Audit Plan. Three audits are planned for 2024/25 with the first of these audits, Leases and Licensing Management Audit, currently underway. The Emergency Management Audit and Assessment of Operational Risks audit are yet to commence.

#### Local government reform

16. The Local Government Amendment Act 2024 was considered by Parliament in December 2024 with limited sections coming into operation. Section 87 of this Act relates to audit committees and is still to be assented to. The Department of Local Government, Sport and Cultural Industries advises that the following changes will take place:

*Audit committees will be revised as audit, risk and improvement committees (ARICs). ARICs must have an independent presiding member to ensure a level of neutrality and impartial oversight in chairing these meetings. An independent presiding member must be a person who is not a council member of a local government or an employee of the local government. If a deputy presiding member is appointed, they must also be independent.*

*The introduction of an independent presiding member provides an opportunity for increased community confidence in a local government's financial and risk management. Local*

government operations may also benefit through appointing an independent chair with risk and financial management expertise that may otherwise be unavailable.

This reform reflects modern governance practices in State Government authorities and agencies as well as private corporations.

In relation to the current Act, an audit committee is required to be established comprising 3 or more persons appointed by absolute majority by a local government. Most of the members must be council members. The CEO or a local government employee cannot be a member.

17. Once section 87 of the Local Government Amendment Act 2024 comes into operation, the Town will have six months to implement the changes.

Relevant documents

[Policy 004 Risk Management](#)

Legal and policy compliance

Not applicable

Financial implications

Current budget impact	Nil
Future budget impact	Not applicable

Risk management consideration

Risk impact category	Risk event description	Risk rating	Risk appetite	Risk Mitigation
Financial		High	Low	
Environmental			Medium	
Health and safety			Low	
Data, Information Technology and Cyber			Medium	
Assets			Medium	
Compliance Breach			Low	

Reputation	Low			
Service delivery interruption	Not having a coordinated and robust risk management system will impact on service delivery	Medium	Medium	Treat the risk by providing regular reports on the Towns risk management

## Engagement

Internal engagement	
Stakeholder	Comments
Governance and Strategy	Governance and Strategy coordinate risk management across the town and liaise with a number of internal business units.

## Strategic alignment

Civic Leadership	
Community Priority	Intended public value outcome or impact
CL3 - Accountability and good governance.	Regularly reviewing the Town's risks promotes good governance and aids in improving performance and efficiency.

## Further consideration



## 7.4 Compliance Audit Return 2024

<b>Location</b>	Town-wide
<b>Reporting officer</b>	Manager Governance and Strategy
<b>Responsible officer</b>	Chief Executive Officer
<b>Voting requirement</b>	Simple majority
<b>Attachments</b>	1. Compliance Audit Return 2024 [7.4.1 - 12 pages]

### Summary

The Town is required to conduct an annual audit of statutory compliance (Compliance Audit Return) in accordance with Regulation 14 of the Local Government (Audit) Regulations 1996. The completed 2024 Compliance Audit Return (CAR) is presented to the Audit and Risk Committee prior to adoption by Council. The adopted CAR must be submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2025.

### Recommendation

That the Audit and Risk Committee recommends to Council that:

1. The Department of Local Government, Sport and Cultural Industries Compliance Audit Return for the period 1 January 2024 to 31 December 2024 as contained in **Attachment 1** be adopted.

### Background

1. Regulation 14 of the Local Government (Audit) Regulations 1996 (Regulations) requires that a CAR be completed and submitted to the Department by 31 March 2025.
2. The 2024 CAR contained the following compliance categories:
  - Commercial Enterprises by Local Governments;
  - Delegation of Power/Duty;
  - Disclosure of Interest;
  - Disposal of Property;
  - Elections;
  - Finance;
  - Integrated Planning and Reporting;
  - Local Government Employees;
  - Official Conduct;
  - Optional Questions; and
  - Tenders for Providing Goods and Services.
3. Regulation 15 of the Regulations requires a joint certification to be completed by the Mayor and Chief Executive Officer. The document is to be forwarded to the Department via its online portal.

## Discussion

4. In accordance with Regulation 14 of the Audit Regulations, the Town is required to carry out an annual audit of statutory compliance in the form determined by the Department.
5. The 2024 CAR deals with the period 1 January 2024 to 31 December 2024 and focuses on those areas considered high risk in accordance with the Local Government Act 1995 (Act) and associated regulations.
6. Of the questions asked, the Town was compliant in all categories.

Category	2023 Audit Questions	Compliance Rating	2024 Audit questions	Compliance rating
Commercial Enterprises by Local Governments	5	100%	5	100%
Delegation of Power/Duty	13	100%	13	100%
Disclosure of Interest	21	1 non compliance 95.2%	21	100%
Disposal of Property	2	100%	2	100%
Elections	3	100%	3	N/A
Finance	7	100%	7	100%
Integrated Planning and Reporting	3	100%	3	100%
Local Government Employees	5	100%	5	100%
Official Conduct	4	100%	4	100%
Optional Questions	9	3 non compliance 66.7%	9	100%
Tenders for Providing Goods and Services	22	1 non compliance 95.5%	22	100%
<b>TOTAL</b>	<b>94</b>	<b>96.1%</b>	<b>94</b>	<b>100%</b>

7. Following adoption of the CAR by the Audit and Risk Committee and Council, the CAR is to be certified by both the Mayor and Chief Executive Officer.
8. Once certified, the completed CAR must be submitted to the Department of Local Government, Sport and Cultural Industries by 31 March 2025.

## Relevant documents

Not applicable

## Legal and policy compliance

[Regulation 14 of the Local Government \(Audit\) Regulations 1996](#)

[Regulation 15 of the Local Government \(Audit\) Regulations 1996](#)

## Financial implications

<b>Current budget impact</b>	Nil
<b>Future budget impact</b>	Not applicable

## Risk management consideration

Risk impact category	Risk event description	Risk rating	Risk appetite	Risk Mitigation
Financial		High	Low	
Environmental			Medium	
Health and safety			Low	
Data, Information Technology and Cyber			Medium	
Assets			Medium	
Compliance Breach	Not completing the CAR will result in non-compliance with the Towns statutory reporting obligations	High	Low	Treat risk by submitting the attached CAR to the Department by 31 March 2025.
Reputation			Low	

Service delivery interruption	Medium
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## Engagement

Internal engagement	
Stakeholder	Comments
Business unit Managers	The 2023 CAR was circulated to the relevant Business Unit Managers for comment.

## Strategic alignment

Civic Leadership	
Community Priority	Intended public value outcome or impact
CL3 - Accountability and good governance.	As the completion of a CAR is a statutory requirement, it is important that this review be submitted to the Department by 31 March 2025

## Further consideration

## **8 Motion of which previous notice has been given**

Nil.

## **9 Meeting closed to the public**

### **9.1 Matters for which the meeting may be closed**

### **9.2 Public reading of resolutions which may be made public**

## **10 Closure**