



Audit, Risk and Improvement Committee
Minutes – 13 April 2026



WE'RE OPEN
VIC PARK

Please be advised that an **Audit, Risk and Improvement Committee** was held at **5.30 PM** on **Monday 13 April 2026** in the **Council Chambers**, Administration Centre at 99 Shepperton Road, Victoria Park.

Mr Jonathan Seth – Presiding Member
[insert date]

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1 Declaration of opening

Jonathan Seth opened the meeting at 5:32 pm.

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 kaaditjin, 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

| | |
|--|--------------------------------------|
| Presiding Member | Mr Jonathan Seth |
| Mayor | Mayor Karen Vernon |
| Banksia Ward | Cr Scott Ingram |
| Jarraah Ward | Cr Andra Biondi Cr Daniel Minson |
| Independent Committee Members | Ms Caroline Parry |
| Acting Chief Executive Officer Chief Operations Officer | Mr Duncan Olde Ms Alison Luobikis |
| Manager Governance and Strategy Manager Technology | Mr Brett Douglas Mr Ernie Prandl |
| Meeting Secretary | Mr Jordan McDermott |

2.1 Apologies

2.2 Approved leave of absence

3 Declarations of interest

| | |
|--------------------|-----------------------|
| Name/Position | Jonathon Seth |
| Item No/Subject | 7.3 |
| Nature of interest | Impartiality |
| Extent of interest | Paxon is my tax agent |

4 Confirmation of minutes

COMMITTEE RECOMMENDATION:

Moved: Mayor Karen Vernon

Seconded: Caroline Parry

That the Audit, Risk and Improvement Committee confirms the minutes of the Audit, Risk and Improvement Committee meeting held on 9 February 2026

Carried (6 - 0)

For: Mayor Karen Vernon, Jonathan Seth, Cr Scott Ingram, Cr Andra Biondi, Cr Daniel Minson and Caroline Parry

Against: Nil

5 Presentations

Nil

6 Method of dealing with agenda business

COMMITTEE RECOMMENDATION:

Moved: Caroline Parry

Seconded: Cr Scott Ingram

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

Carried (6 - 0)

For: Mayor Karen Vernon, Jonathan Seth, Cr Scott Ingram, Cr Andra Biondi, Cr Daniel Minson and Caroline Parry

Against: Nil

7 Reports

7.1 Terms of Reference, Audit Risk and Improvement Committee

| | |
|----------------------------|---------------------------------|
| Location | Town-wide |
| Reporting officer | Manager Governance and Strategy |
| Responsible officer | Chief Executive Officer |
| Voting requirement | Simple majority |
| Attachments | Nil |

Summary

To note that the Terms of Reference for the Audit, Risk and Improvement Committee are in production.

Recommendation

1. Note that the Audit Risk and Improvement Committee's Terms of Reference are still in development and it is envisaged that they will be ready for consideration by ARIC from on or around 24 April 2026.
2. Consider eligible dates for a further ARIC meeting to discuss the revised Terms of Reference

Background

1. The Terms of Reference should provide officers with guidance on the type of reports that are eligible to be submitted to the Audit, Risk and Improvement Committee.
2. The Terms of Reference should also provide Committee Members with a clear understanding of the Committee's objectives, areas of responsibility and structure.
3. The Terms of Reference were last reviewed and amended by Council on 21 November 2023.
4. The Terms of Reference will need to be finalised by 30 June 2026 to give effect to the ARIC amendments.

Discussion

5. In accordance with Part 7 of the *Local Government Act 1995*, the Town must establish an Audit, Risk and Improvement Committee.
6. The Town has established an Audit, Risk and Improvement Committee made up of four (4) Elected Members and two independent members.
7. The two independent members have been appointed as Chair and Deputy Chair of the Committee.

8. Following the local government elections of 2025, the membership of the Committee changed. As such, the Terms of Reference should be revised and endorsed with a recommendation that they be adopted by Council.
9. An amended Terms of Reference was provided to the Special Audit Risk and Improvement Committee on 16 December 2025, that considered the recommendations from the recent Risk Management Audit presented to the Audit Risk and Improvement Committee on 13 October 2025:
 - i. clarify and update the Terms of Reference for the Audit and Risk Committee and the Town's Risk Management Policy to include responsibilities for overseeing not just strategic risks but also the Town's operational risks.
 - ii. ensure more regular reporting of operational risk management activities and outcomes to both C suite and the Audit and Risk Committee in order to maintain effective governance and oversight.
10. At that Committee meeting, the Committee recommended, and Council subsequently resolved, that the item be referred back to the CEO for further consideration and then brought back to the next Audit Risk and Improvement Committee so that further changes could be considered.
11. A new Manager for Governance and Risk has commenced and considers that further work is needed so that the Terms of Reference:
 - i. assist the ARIC to comply with and perform its legislative obligations; and
 - ii. serve as a useful guidance document for the interactions between Council, ARIC and the Administration.
12. The Terms of Reference will be comprehensively reviewed following the feedback received from the Committee, recent legislative changes to the *Local Government Act 1995* (effective from on 1 January 2026) and the needs of the Administration. The following is a summary of the legislative changes that have come into operation:

| Function area | Requirement |
|-------------------------------|--|
| Audit, compliance and reviews | <ul style="list-style-type: none"> • Receive and review reports on Part 7 audits, compliance audits, and regulation 17 reviews • Make recommendations to Council on actions to be taken |
| Systems and procedures | <ul style="list-style-type: none"> • Review appropriateness and effectiveness of financial management, legislative compliance and risk management • Recommend improvements to Council |
| Implementation of actions | <ul style="list-style-type: none"> • requirement under section 7.12A(3) - Review the audit report and ensure required actions are identified and carried out • In relation to a report under section 7.12A(4)(a) - prepare a response addressing significant audit findings and outline actions taken or planned |

| | |
|-----------------|---|
| | <ul style="list-style-type: none"> • In relation to section 8.6(1)9a) - review written advice prepared by the CEO under this section and consider any resulting actions • In relation to section 8.23(4)(a) - review written advice prepared under this section and consider recommended actions for Council. |
| Other functions | <ul style="list-style-type: none"> • Any other function under the regulations or another written law |

13. As a result of the extent and nature of the required changes, the Terms of Reference will be rewritten to clarify the Committee’s responsibilities and limits of authority.

14. Upon finalisation, it is envisaged that:

- i. A special ARIC meeting will need to be held in late May 2026 to consider the Terms of Reference and hopefully make the appropriate recommendation to Council;
- ii. the revised Terms of Reference will be socialised at the Agenda Briefing Forum on 2 June 2026; and
- iii. the Terms of Reference will be tabled for endorsement by Council at the Ordinary Council meeting on 16 June 2026.

Relevant documents

Not applicable.

Legal and policy compliance

[7.1A of the Local Government Act 1995](#)

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

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 | | | Low | |
| Environmental | | | Medium | |

| | | | | |
|--|---|-----|-----|--|
| Health and safety | | | | Low |
| Data, Information Technology and Cyber | | | | Medium |
| Assets | | | | Medium |
| Compliance Breach | | | | Low |
| Reputation | Not having a Terms of Reference for the Committee may be viewed as poor governance. | Low | Low | Treat the risk by endorsing Terms of Reference for the Committee |
| Service delivery interruption | | | | Medium |

Engagement

Not applicable.

Strategic alignment

| Civic Leadership | |
|---|--|
| Community Priority | Intended public value outcome or impact |
| CL3 - Accountability and good governance. | Adoption of the Terms of Reference for the Audit Risk and Improvement Committee promotes accountability and good governance. |

Further consideration

At the Special Audit, Risk and Improvement Committee meeting held on 16 December 2025, the following information was requested.

11. Consider amending wording in Term of Reference from "ensure" to "review" to reflect the Committee's role in oversight.

12. Provide a summary of recommended changes from the recent Risk Management Audit as mentioned in Report 7.1, paragraph 7 and 8.

13. Consider amending the Terms of Reference to provide clearer guidance on the types or subject areas of risk reports the Committee should receive, using broad and flexible wording (e.g. "including, but not limited to") to cover key areas such as work health and safety and other relevant strategic and operational risk topics.

OFFICER RECOMMENDATION:

Moved: Cr Daniel Minson

Seconded: Cr Andra Biondi

1. Note that the Audit Risk and Improvement Committee's Terms of Reference are still in development and it is envisaged that they will be ready for consideration by ARIC by 24 April 2026.
2. Consider eligible dates for a further ARIC meeting to discuss the revised Terms of Reference

COMMITTEE AMENDMENT :

Moved: Mayor Karen Vernon

Seconded: Cr Daniel Minson

Point 2 is amended to read:

A further ARIC meeting will be held on 25 May 2026 at 5.30pm, to consider the amended Terms of Reference

Carried (6 - 0)

For: Mayor Karen Vernon, Jonathan Seth, Cr Scott Ingram, Cr Andra Biondi, Cr Daniel Minson and Caroline Parry

Against: Nil

Reason: So we have clarity on the next day of the meeting.

AMENDED OFFICER RECOMMENDATION AND COMMITTEE RECOMMENDATION:

Moved: Mayor Karen Vernon

Seconded: Cr Daniel Minson

1. Note that the Audit Risk and Improvement Committee's Terms of Reference are still in development and it is envisaged that they will be ready for consideration by ARIC by 24 April 2026.
2. A further ARIC meeting will be held on 25 May 2026 at 5.30pm, to consider the amended Terms of Reference.

Carried (6 - 0)

For: Mayor Karen Vernon, Jonathan Seth, Cr Scott Ingram, Cr Andra Biondi, Cr Daniel Minson and Caroline Parry

Against: Nil

7.2 Compliance Audit Return 2025

| | |
|----------------------------|---|
| Location | Governance and Risk |
| Reporting officer | Manager Governance and Risk |
| Responsible officer | Chief Executive Officer |
| Voting requirement | Simple majority |
| Attachments | 1. Local Government Inspector update [7.2.1 -] |

Summary

Update on Compliance Audit Return (CAR) 2025

Recommendation

That Council note the Compliance Audit Return date for compliance has been extended until 30 September 2026.

Background

1. With the introduction of the Local Government Inspector, there have been several changes to the statutory requirements for which a compliance audit is needed. These changes are outlined in regulation 13 of the *Local Government (Audit) Regulations 1996*, published on 1 January 2026.
2. In addition, the Local Government Inspector has the ability to limit what statutory requirements are included in the CAR, under regulation 15A of the *Local Government (Audit) Regulations 1996*, published on 1 January 2026.

Discussion

3. The Office of the Local Government Inspector released an important notice on 6 January 2026, advising Local Governments that these requirements are being determined, with further guidance materials and information to be made available to local governments by 31 March 2026.
4. The deadline for submission of the CAR for the period 1 January to 31 January 2025 has been deferred from 30 March 2026 until 30 September 2026.
5. To date, no requirements have been determined, with inquiries showing no date as to when they will be determined
6. On completion of the CAR, 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.

Relevant documents

Not applicable

Legal and policy compliance

Regulation 15 Local Government (Audit) Regulations 1996

Financial implications

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

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 | | Low | Risk alleviated by submitting the CAR to the Inspector by 30 September 2026 |
| Reputation | | | Low | |
| Service | | | Medium | |

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 Inspector by 30 September 2026 |

OFFICER AND COMMITTEE RECOMMENDATION

Moved: Mayor Karen Vernon

Seconded: Cr Daniel Minson

That Council note the Compliance Audit Return date for compliance has been extended until 30 September 2026.

Carried (6 - 0)

For: Mayor Karen Vernon, Jonathan Seth, Cr Scott Ingram, Cr Andra Biondi, Cr Daniel Minson and Caroline Parry

Against: Nil

7.3 IT Systems Audit Report

| | |
|----------------------------|---|
| Location | Town-Wide |
| Reporting officer | Manager Technology & Digital Strategy |
| Responsible officer | Chief Financial Office |
| Voting requirement | Simple Majority |
| Attachments | 1. CONFIDENTIAL - Final Management Letter Attachment - IS - Town of Victoria Park - 30 June 2025 [7.3.1 - 10 pages] |

Summary

The purpose of the Information Systems Audit is to assess the effectiveness of the IT controls, governance frameworks and cybersecurity settings to ensure that system access and data access is authorised and secure.

The 2024/25 Information System Audit was undertaken by RSM Australia on behalf of the Office of the Auditor General (OAG) as part of the broader financial audit and 8 findings were identified for Council's attention. The findings and the associated response from the Town's management are documented in the attachment to this report.

Recommendation

That the Audit & Risk Committee recommends that Council receives the findings from the independent auditor's report and endorses the management responses and actions to the auditor's findings.

Background

1. Each year, as part of the annual financial audit conducted on behalf of the OAG, the Town's system access, data security and cybersecurity protocols are reviewed. This was conducted by RSM Australia for the year ending 30 June 2025.

2. The findings received from RSM were assessed by management and appropriate actions were either undertaken or planned to be addressed as required. The findings of the Information Systems Audit together with the responses from Management are presented in the attached report for the Committee's consideration and recommendation to Council.

Discussion

3. The Information Systems Audit is focussed on all aspects of system security, with particular emphasis on those aspects that directly relate to financial transactions. Access Control, Governance, Business Continuity and Cybersecurity all form part of the review and are investigated in detail and assessed for compliance against best practice outcomes.

4. The timing of the presentation of this report was affected by a number of operational issues including the timing of the delivery of the report and the decision to not present this report in conjunction with the financial audit report, as is normally the case. As a result, five out of the eight findings documented in the report have already been addressed, with the remainder included in current and/or future projects.

Relevant documents

Not applicable

Legal and policy compliance

Not applicable

Financial implications

| | |
|------------------------------|---|
| Current budget impact | Sufficient funds exist within the annual budget to address this recommendation. |
| Future budget impact | Not applicable |

Risk management consideration

| Risk impact category | Risk event description | Risk rating | Risk appetite | Risk Mitigation |
|--|---|-------------|---------------|--|
| Financial | Potential financial loss from data corruption/data loss/information loss due to incident or attack. | Extreme | Low | TREAT risk by having back-ups, disaster recovery planning, cybersecurity frameworks. |
| Environmental | Not applicable. | | | |
| Health and safety | Not applicable. | | | |
| Data, Information Technology and Cyber | Loss of ICT or disruption to ICT from data corruption/data loss/information loss due to incident or attack. | Extreme | Medium | TREAT risk by having back-ups, disaster recovery planning, cybersecurity frameworks. |
| Assets | Not applicable. | | | |
| Compliance Breach | Not applicable. | | | |
| Reputation | Negative perception from data corruption/data loss/information loss due | Extreme | Low | TREAT risk by having back-ups, disaster recovery planning, cybersecurity frameworks. |

| | | | | |
|-------------------------------|---|---------|--------|--|
| | to incident or attack. | | | |
| Service delivery interruption | Impact on service delivery from data corruption/data loss/information loss due to incident or attack. | Extreme | Medium | TREAT risk by having back-ups, disaster recovery planning, cybersecurity frameworks. |

Engagement

| Internal engagement | |
|---------------------|--|
| Stakeholder | Comments |
| IT Team | Worked through findings and suggested solutions and timeframes |
| Finance Team | Reviewed proposed solutions and timeframes |

Strategic alignment

| Civic Leadership | |
|---|--|
| Community Priority | Intended public value outcome or impact |
| CL3 - Accountability and good governance. | Appropriate information management that is easily accessible, accurate and reliable. |

OFFICER RECOMMENDATION:

Moved: Mayor Karen Vernon

Seconded: Cr Daniel Minson

That the Audit & Risk Committee recommends that Council receives the findings from the independent auditor's report and endorses the management responses and actions to the auditor's findings.

PROCEDURAL MOTION:

Moved: Mayor Karen Vernon

Seconded: Cr Daniel Minson

That the Audit Risk and Improvement Committee closes the meeting to the members of the public at 5.56pm to discuss matters pursuant to section 5.23(4) (e) of the Local Government Act 1995.

Carried (6 - 0)

For: Mayor Karen Vernon, Jonathan Seth, Cr Scott Ingram, Cr Andra Biondi, Cr Daniel Minson and

Caroline Parry

Against: Nil

Reason: To deal with a confidential item pursuant to S5.23(4)(e), on the basis that the information contained in the confidential report the making of public would be likely to endanger the security, including cyber-security of any of the local governments property and operations.

Meeting adjourned from 6.56pm until 7.14pm

COMMITTEE AMENDMENT :

Moved: Mayor Karen Vernon

Seconder: Cr Daniel Minson

That the officer recommendation be amended to read as follows:

That the Audit Risk and Improvement Committee recommends that Council:

1. Receives the findings from the independent auditor's report and notes the management responses and actions to the auditor's findings on IT systems;
2. Requests the CEO to add the management actions to the Audit Actions Register;
3. Requests the CEO to bring a further report on the auditor's findings to the Audit & Risk Committee by July 2026 addressing the following:
 - a. update as to the current status of each of the 8 findings;
 - b. for each finding, a detailed explanation of what improvements have been implemented by IT;
 - c. for each finding, actions taken outside IT to implement and embed the improvements and/or changes into the organization.

Carried (6 - 0)

For: Mayor Karen Vernon, Jonathan Seth, Cr Scott Ingram, Cr Andra Biondi, Cr Daniel Minson and Caroline Parry

Against: Nil

Reason: To appropriately acknowledge the management responses to the Audit findings, ensure the management actions are added to the Audit Actions Register and allow the Town to provide further information to assist the Committee and Council in understanding how these management actions have been implemented at IT level, and embedded with the Town at executive level.

AMENDED OFFICER RECOMMENDATION AND COMMITTEE RECOMMENDATION:

Moved: Mayor Karen Vernon

Seconded: Cr Daniel Minson

That the Audit Risk and Improvement Committee recommends that Council:

1. Receives the findings from the independent auditor's report and notes the management

- responses and actions to the auditor's findings on IT systems;
2. Requests the CEO to add the management actions to the Audit Actions Register;
 3. Requests the CEO to bring a further report on the auditor's findings to the Audit & Risk Committee by July 2026 addressing the following:
 - a. update as to the current status of each of the 8 findings;
 - b. for each finding, a detailed explanation of what improvements have been implemented by IT;
 - c. for each finding, actions taken outside IT to implement and embed the improvements and/or changes into the organization.

Carried (6 - 0)

For: Mayor Karen Vernon, Jonathan Seth, Cr Scott Ingram, Cr Andra Biondi, Cr Daniel Minson and Caroline Parry

Against: Nil

7.4 Audit Update Report April 2026

| | |
|----------------------------|--|
| Location | Town-wide |
| Reporting officer | Audit, Risk and Assurance Advisor |
| Responsible officer | Chief Executive Officer |
| Voting requirement | Simple majority |
| Attachments | <ol style="list-style-type: none">1. CONFIDENTIAL - Quarter 3, Open Audit Actions (January - March 2026)-2026-04-07-081453 [7.4.1 - 6 pages]2. CONFIDENTIAL - Audit Function Dashboard 31-3-2026 [7.4.2 - 1 page]3. Elizabeth Baillie Motion 36 2026 [7.4.3 - 1 page] |

Summary

The Audit, Risk and Improvement Committee recommends that Council receives the Audit Update Report for April 2026. This report provides an overview of internal audit activities and the status of current open audit actions.

Open audit actions will be incorporated into the audit action register following ARIC and Council consideration. Ongoing monitoring supports continuous improvement in governance, risk management, and internal controls.

Recommendation from the Audit, Risk and Improvement Committee:

That Council receives the Audit Update Report for April 2026, as contained in Attachment 7.4.1

Background

1. The 2023–2026 Internal Audit Program, adopted by Council on 19 June 2023, provides structured oversight of key governance, risk, and control processes across the Town.

Discussion

2. Audits scheduled for 2025/26:

- Talent Management and Wellbeing – by Paxon; near completion pending C-Suite feedback and consideration. Management has provided responses to preliminary matters for consideration by C-Suite. Following finalisation of the Paxon report, in collaboration with C-suite, any recommendation will be presented to ARIC together with the report.
- Fraud and Corruption Reporting – scheduled for Q4 2026
- Corporate Performance Management and Monitoring – scheduled for Q4 2026.

3. Progress on the Assessment of Operational Risk audit:

- Assessment of Operational Risk Internal Audit recommended changes to the ARIC - Terms of Reference and Risk Management Policy. This is currently under review.

- Upon consideration of the Terms of Reference by new Governance Manager, it was considered further work is needed for the Terms of Reference so that this document not only reflects the updated legislation, but is a workable document that can be relied upon and operates functionally.
 - The Terms of Reference will also be updated in consideration of the recommendations from the Assessment of Operational Risk Internal Audit.
 - Operational risk identification processes are being embedded across business units.
4. The 2026/27-2028/29 Internal Audit Program was developed by the Audit, Risk and Assurance Advisor and finalised with the Executive Leadership Team in September 2025.
 5. Given the Town’s Regulation 17 review is upcoming, coupled with the requirements arising out of the Elizabeth Baillie Report (**EBR**) (see **attached** motion), it is proposed that the Regulation 17 review commence. The 2 reviews would encompass much of the audit program schedule, and better provide a guide as to future audit focus areas.
 6. To this end, the Town’s most recent Regulation 17 review was conducted by Civic Legal in March 2023. The updated framework incorporates financial management. A Request for Quote process for the upcoming review is underway.
 7. In line with strengthened governance expectations, audit outcomes are now presented to C-Suite prior to ARIC submission to ensure executive visibility and ownership.

Open Audit Actions

8. The following table reflects the status of open audit actions, including progress against agreed timeframes and associated risk ratings. The details of these are in the attachment 7.4.1.

| Area | Open | Overdue | Behind | On Track | Extreme Risk | Moderate Risk | Low Risk |
|-----------------------------|----------|----------|----------|----------|--------------|---------------|----------|
| Governance | 2 | 0 | 1 | 1 | 0 | 2 | 0 |
| People & Culture | 1 | 0 | 0 | 1 | 0 | 0 | 1 |
| Finance | 1 | 0 | 0 | 0 | 0 | 0 | 1 |
| Totals | 4 | 0 | 1 | 2 | 0 | 2 | 2 |

- Two new audit actions were added following the Office of the Auditor General (OAG) audit (final report 8 December 2025).
- One action has been completed; the remaining action is progressing in line with agreed timeframes.

Relevant Documents

Not applicable.

Legal and Policy Compliance

[Part 7 of the Local Government Act 1995](#)

Financial Implications

| | |
|------------------------------|---|
| Current budget impact | Existing allocations will accommodate recommended process improvements. |
| Future budget impact | Not applicable. |

Risk Management Considerations

| Risk Impact Category | Risk Event Description | Risk Rating | Risk Appetite | Risk Mitigation |
|--|---|-------------|---------------|--|
| Financial | Poorly scoped internal audit may expose the Town misstatements, inefficiencies, fraud, or corruption. Senior Leadership Team determines timing of Regulation 17 review. | High | Low | Maintain risk-based Internal Audit Program aligned with legislative requirements. Monitor outcomes and timely implementation of actions. |
| Environmental | Not applicable. | | | |
| Health and Safety | Not applicable. | | | |
| Data, Information Technology and Cyber | Not applicable. | | | |
| Assets | Not applicable. | | | |
| Compliance Breach | Incomplete internal audit coverage may increase non-compliance risk, including Regulation 17. | High | Low | Ensure audit program addresses all mandatory and key risk areas and monitor implementation of audit actions. |
| Reputation | Ineffective audits or unresolved findings may reduce stakeholder confidence. | Moderate | Low | Support timely completion of audits, resolution of findings, and transparent reporting to ARIC and Council. |
| Service Delivery Interruption | Not applicable. | | | |

| | | | | |
|------------|--|-----|-----|---|
| Governance | Shift in strategy from endorsing 2026-2029 to an early kick of the Regulation 17 Review. | Low | Low | Ensure Audits align with Regulation 17, and maintain a risk-based audit planning. |
|------------|--|-----|-----|---|

Engagement

| Internal engagement | |
|---------------------|--|
| Stakeholder | Comments |
| Business Units | Managers provided timely responses and supporting documentation to internal auditors. |
| C-suite | C-Suite to be briefed on the Talent Management & Wellbeing audit findings and recommendations prior to ARIC. |

Strategic Alignment

| Civic Leadership | |
|---|--|
| Community Priority | Intended public value outcome or impact |
| CL1 – Effectively managing resources and performance. | Internal audits support integrity and identify areas for improvement. |
| CL3 - Accountability and good governance. | Internal audits provide a disciplined approach to improving risk management, internal controls, and governance processes, adding value to Town operations. |

PROCEDURAL MOTION

Moved: Mayor Karen Vernon

Seconded: Cr Daniel Minson

That the Audit Risk and Improvement Committee reopens the meeting at 7.28pm.

Carried (6 - 0)

For: Mayor Karen Vernon, Jonathan Seth, Cr Scott Ingram, Cr Andra Biondi, Cr Daniel Minson and Caroline Parry

Against: Nil

COMMITTEE RECOMMENDATION:

Moved: Cr Daniel Minson

Seconded: Cr Andra Biondi

That Council receives the Audit Update Report for April 2026, as contained in Attachment 7.4.1

Carried (6 - 0)

For: Mayor Karen Vernon, Jonathan Seth, Cr Scott Ingram, Cr Andra Biondi, Cr Daniel Minson and Caroline Parry

Against: Nil

7.5 Corporate Business Plan Quarter 3 Progress Report (January - March 2026)

| | |
|----------------------------|--|
| Location | Town-wide |
| Reporting officer | Audit, Risk and Assurance Advisor |
| Responsible officer | Chief Executive Officer |
| Voting requirement | Simple majority |
| Attachments | 1. Quarter 3 CBP Report 2025 26-2026-04-07-074956 [7.5.1 - 45 pages] |

Summary

This report provides an update on the implementation status of the Corporate Business Plan actions for Quarter 3 of the 2025/26 financial year (1 January – 31 March 2026). The report supports Council's commitment to good governance, transparency, and effective resource management by providing oversight of strategic action delivery.

Recommendation from the Audit, Risk and Improvement Committee:

That Council notes the Corporate Business Plan Quarter 3 Progress Report for 1 January – 31 March 2026, as attached.

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 adopted plans and strategies.
2. The consolidated reporting approach reduces duplication, strengthens governance, and provides a single point of accountability for tracking purposes.
3. Quarterly progress reports enable Council to:
 - Assess performance against the Corporate Business Plan 2023-2027 and other linked strategies.
 - Identify risks and significant variations in project delivery or budget performance.
 - Receive the information needed to make informed decisions and take action if required.
4. This Quarter 3 report also establishes a baseline for the 2025/26 financial year, enabling subsequent quarters to demonstrate comparative progress and trend analysis.

Discussion

5. An amended Corporate Business Plan 2023-2027 was endorsed by Council on 19 August 2025. Its sets out the Town's medium-term priorities, aligned to the Strategic Community Plan.
6. Attachment 1 provides an update on the progress made toward each goal within the CBP during Quarter 3 of the 2025/26 financial year. Progress is visually represented as a percentage, with colour coding to indicate whether actions are:

- Behind Schedule
- On-Track
- Overdue

7. Quarter 3 CBP Progress Summary – 2025/26

- Following the close of Quarter 3 reporting on 30 March 2026, access to the CBP Snapshot was restricted to SMT and Chiefs for final review and endorsement, ensuring a controlled and auditable dataset for reporting to the Agenda Settlement on Wednesday 8nd April and Audit, Risk and Improvement Committee on 13 April 2026.
- Performance in Q3 indicates steady progress, with 64% of CBP goals completed and the majority of activities on track. Strong delivery has been achieved across community programs, events and strategic initiatives, while some delays persist in infrastructure, environmental and planning areas due to resourcing constraints and external dependencies. Overall, performance remains stable with targeted focus required to manage delivery risks into Quarter 4.
- Further details of these matters are set out and available in the attached Quarter 3 Report.

| Strategic outcome | Total Goals | Behind | On-Track | Overdue |
|-------------------|-------------|-----------|-----------|----------|
| Social | 16 | 0 | 16 | 0 |
| Economic | 4 | 0 | 4 | 0 |
| Environment | 21 | 8 | 13 | 0 |
| Civic Leadership | 12 | 3 | 9 | 0 |
| Total | 53 | 11 | 42 | 0 |

Relevant Documents

Attachment 7.5.1

Legal and Policy Compliance

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

Financial Implications

| | |
|------------------------------|---|
| Current budget impact | Sufficient funds exist within the annual budget to address this recommendation. |
| Future budget impact | Not applicable. |

Risk Management Consideration

| Risk Impact Category | Event Description | Risk Rating | Risk Appetite | Risk Mitigation |
|--|---|-------------|---------------|--|
| Financial | Delays in CBP delivery may affect alignment with budgeted projects and priorities. | Moderate | Low | Ensure quarterly tracking and escalate significant slippage. |
| Environmental | Not applicable. | | | |
| Health and safety | Not applicable. | | | |
| Data, Information Technology and Cyber | Not applicable. | | | |
| Assets | Not applicable. | | | |
| Compliance Breach | Incomplete or inaccurate reporting may reduce compliance with legislative requirements. | Low | Low | Validate inputs with SMTs prior to report finalisation. |
| Reputation | Negative public perception regarding transparency. | Low | Low | Ensure accuracy in reporting and highlight significant issues. |
| Service delivery interruption | Not applicable. | | | |

Engagement

| Internal engagement | |
|-------------------------|--|
| Governance and Strategy | Coordinated the preparation of this report and progress tracking. |
| Business Units | Provided quarterly updates on action progress, risks, and achievements. |
| C-Suite | Validated outcomes to ensure accuracy, accountability, and completeness. |

Strategic Alignment

Civic Leadership

| Community Priority | Intended public value outcome/ impact |
|---|---|
| CL1 – Effectively managing resources and performance. | The council receives timely and accurate updates on CBP progress to support resource planning and performance management. |
| CL3 - Accountability and good governance. | The Community and Council are provided with increased transparency and accountability regarding strategic actions and outcomes. |

COMMITTEE RECOMMENDATION:

Moved: Cr Scott Ingram

Seconded: Cr Daniel Minson

That Council notes the Corporate Business Plan Quarter 3 Progress Report for 1 January – 31 March 2026, as attached

Carried (6 - 0)

For: Mayor Karen Vernon, Jonathan Seth, Cr Scott Ingram, Cr Andra Biondi, Cr Daniel Minson and Caroline Parry

Against: Nil

7.6 Internal Audit Schedule

| | |
|----------------------------|---|
| Location | Town-wide |
| Reporting officer | Manager of Governance and Risk |
| Responsible officer | CEO |
| Voting requirement | Simple Majority |
| Attachments | <ol style="list-style-type: none">1. Internal Audit Program 23 26 [7.6.1 - 7 pages]2. Internal Audit Program 26 29 [7.6.2 - 4 pages] |

Summary

The 2026-2029 Internal Audit Program was developed by the Audit, Risk and Assurance Advisor and finalised with the Executive Leadership Team in September 2025.

A lesson from the 2023-2026 Audit Schedule is that the Audit Schedule was not evenly or appropriately balanced across the needs of the organisation and therefore several changes to the 2026/2027-2028/29 Internal Audit Program and the 2023-2026 Audit Program are being proposed.

Recommendation from the Audit, Risk and Improvement Committee:

That Council notes the changes to the 2026/2027-2028/29 Internal Audit Program and the 2023-2026 Audit Program.

Background

The 2026-2029 Internal Audit Program was developed by the Audit, Risk and Assurance Advisor and finalised with the Executive Leadership Team in September 2025.

Discussion

A lesson from the 2023-2026 Audit Schedule is that the Audit Schedule was not evenly or appropriately balanced across the needs of the organisation.

In view of these lessons, it is recommended that the Town commence its Regulation 17 Review and that:

- i. Corporate Performance Management and Monitoring; and
- ii. Reporting of Fraud and Corruption,

be removed from the 2023-2026 Audit Schedule as it is envisaged much of this work will be picked up by the Regulation 17 review, or at the very least be better informed by the Regulation 17 review.

Additionally, for the same reasons, coupled with the work arising from **attached** Motion 36/2026 that was carried as a result of the Elizabeth Baillie Report, it is recommended that the 2026/2027-2028/29 Internal Audit Program be amended so that the following audits are no longer included:

- i. Rates and Revenue Management;
- ii. Public Infrastructure & Parks Maintenance; and
- iii. Building and Planning Approvals Compliance.

Lastly, please note that the Town’s most recent Regulation 17 review was conducted by Civic Legal in March 2023. The updated framework incorporates financial management. A Request for Quote process for the upcoming review is underway.

Relevant documents

Town of Victoria Park OCM 17 March 2026 Motion 36/2026

Legal and policy compliance

Regulation 17(1) & (3) Local Government (Audit) Regulations

Financial implications

| | |
|------------------------------|-------------|
| Current budget impact | <i>Nil.</i> |
| Future budget impact | <i>Nil</i> |

Risk management consideration

| Risk impact category | Risk event description | Risk rating | Risk appetite | Risk Mitigation |
|------------------------------|---|-------------|---------------|--|
| Financial | <i>Not adopting an internal audit program means we can't test our financial controls and mitigate financial loss through administrative errors, fraud and corruption.</i> | High | Low | <i>TREAT risk by Adopting an internal program with a focus area on high-risk financial processes and activities.</i> |
| Environmental | | | Medium | |
| Health and safety | | | Low | |
| Data, Information Technology | | | Medium | |

| | | | |
|-------------------------------|--|--------|-----------------------------------|
| and Cyber | | | |
| Assets | | Medium | |
| Compliance Breach | Not completing R17 will result in the non compliance with the Towns statutory reporting obligation | Low | Risk alleviated by completing R17 |
| Reputation | | Low | |
| Service delivery interruption | | Medium | |

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 Inspector by 30 September 2026 |
|---|--|

Further consideration

OFFICER RECOMMENDATION:

Moved: Cr Daniel Minson **Seconded:** Mayor Karen Vernon
 That Council notes the changes to the 2026/2027-2028/29 Internal Audit Program and the 2023-2026 Audit Program.

COMMITTEE AMENDMENT:

Moved: Mayor Karen Vernon

Seconded: Caroline Parry

That the officer recommendation be amended to read as follows:

The Audit Risk & Improvement Committee recommends that Council:

1. revises the 2023-2026 Internal Audit Plan to remove the audits for Corporate Performance Management and Monitoring and Reporting of Fraud and Corruption for the reasons outlined in the officer report;
2. adopts the revised 2026-2029 Internal Audit Plan as follows:
 - a. 2026/27 –
 - i. Payroll processing, award interpretation and compliance
 - ii. Customer service and complaints handling
 - b. 2027/28 –
 - i. Procurement (including fraud)
 - ii. Asset management
 - c. 2028/29 –
 - i. Building and planning approvals
 - ii. Rates and revenue management
 - iii. Cybersecurity

Carried (6 - 0)

For: Mayor Karen Vernon, Jonathan Seth, Cr Scott Ingram, Cr Andra Biondi, Cr Daniel Minson and Caroline Parry

Against: Nil

Reason: To reflect the discussed priorities.

AMENDED OFFICER RECOMMENDATION AND COMMITTEE RECOMMENDATION:

Moved: Mayor Karen Vernon

Seconded: Caroline Parry

The Audit Risk & Improvement Committee recommends that Council:

1. revises the 2023-2026 Internal Audit Plan to remove the audits for Corporate Performance Management and Monitoring and Reporting of Fraud and Corruption for the reasons outlined in the officer report;
2. adopts the revised 2026-2029 Internal Audit Plan as follows:
 - a. 2026/27 –
 - i. Payroll processing, award interpretation and compliance
 - ii. Customer service and complaints handling
 - b. 2027/28 –
 - i. Procurement (including fraud)

- ii. Asset management
- c. 2028/29 –
 - i. Building and planning approvals
 - ii. Rates and revenue management
 - iii. Cybersecurity

Carried (6 - 0)

For: Mayor Karen Vernon, Jonathan Seth, Cr Scott Ingram, Cr Andra Biondi, Cr Daniel Minson and Caroline Parry

Against: Nil

UNCONFIRMED

8 Motion of which previous notice has been given

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

There being no further business, Jonathon Seth closed the meeting at 9.10pm.

I confirm these minutes to be true and accurate record of the proceedings of the Council/Committee.

Signed:

Dated this:

Day of:

2026

UNCONFIRMED