PAXON

TOWN OF VICTORIA PARK

Talent Management & Wellbeing Internal Audit Review

April 2026

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1. INTRODUCTION

1.1 Background & Objective

An internal audit review of talent management and wellbeing was included within the strategic internal audit plan that was endorsed by the Audit & Risk Committee (Committee).

The objective of our review is to provide a report to management and the Committee on the appropriateness and effectiveness of the systems and processes related to the scope of review.

1.2 Risks & Scope

Key Risks:

- Misalignment of workforce capability with strategic objectives.
- Low employee engagement or high turnover.
- Inadequate wellbeing and training programs impacting performance.

Our fieldwork included review of the design effectiveness of processes and controls within the following areas, and testing of their operational effectiveness:

- Assess the organisation's workforce and future skill demand planning. This will include:
    - succession planning, capability management, remuneration benchmarking, wellbeing and psychosocial programs, and the adequacy of training and development, including monitoring and reporting processes in place, and
    - the Workforce Plan 2020-2035, reporting and monitoring of supporting initiatives.
- Performance management framework, and
- Employee engagement, including surveys and arising initiatives.

The review did not include compliance with work, health and safety requirements, recruitment and selection, performance of benchmarking or payroll processes and controls.

The review was performed in the period December 2025 – January 2026.

2. EXECUTIVE SUMMARY

Based upon the work performed by Paxon as part of this review, it was noted that the Town has a number of good practices in place. However, there are also a number of areas where the Town can improve its processes.

The Town has a Workforce Plan and other supporting plans and strategies in place within the area of People & Culture, for which the content generally appears appropriate. However, the documents are largely stand alone with limited inter-connection. It was also noted that the actions arising from them are sometimes generic, so not easily assessed for status and that there is limited monitoring and reporting of action status across all of the documents. We understand that People & Culture are considering developing a reporting framework to facilitate the tracking of all actions.

The Workforce Plan includes references to succession planning and psychosocial hazards and wellbeing, but there is no detail within the Plan and the link to formal risk management processes is limited. There are also limited succession planning processes in place within the Town.

It was also noted that although the Town has an annual professional development process for all employees to assess performance and identify development, for the year 2024/25 this was only completed by 58% of employees.

Our findings are summarised below and documented in detail within section 5 of this report.

We would like to thank all officers that assisted with the performance of this review.

Finding	Risk Rating
Workforce Plan	Medium
Reporting of Plan Status	Medium
Professional Development Processes	Medium
Succession Planning	Medium
Psychosocial Hazards and Wellbeing	Low

2.1 Good Practice

The following areas of good practice were noted during the performance of this review.

- Key strategic documents are in place
- A training needs exercise was performed to inform future requirements, and attendance was noted as covering the key areas outlined within the Workforce Plan
- Benchmarking through the WALGA Salary Survey 24/25 and to similar metro Towns and City's in terms of remuneration/package/offerings was noted
- Performance improvement guidance and templates are in place
- Employee Surveys are performed every 2 years (2023 and 2025) and action plans developed, with the 2025 action plan in the process of being drafted at the time of audit.
- The Town has the Well@Work program, with wellbeing activities including the annual calendar which is regularly reviewed using staff feedback and health data to ensure initiatives remain positive, evidence based and aligned to emerging staff wellbeing needs, and
- An Employee Assistance Program is in place, reported and actively used.

3. METHODOLOGY

Our methodology for this review comprised of the following steps:

- Conducted an initial meeting with management to obtain an understanding of processes and potential issues;
- Developed overview documentation of the processes including key controls by discussion with staff and review of the processes;
- Evaluated the effectiveness of the design of controls to cover the identified risk and tested the operation of the key controls;
- Followed up and confirmed action taken on any previous business issues identified and recommendations made;
- Researched the issues, weaknesses and potential improvements noted from our discussions and review of the existing processes and identified key controls;
- Developed appropriate recommendations for improvement for discussion with management;
- Drafted a report of findings and recommendations and obtained formal responses from management; and
- Finalised the report and issued it to Management for distribution to the Audit and Risk Committee.

Each finding detailed in section 5 is rated based on the following scale:

Rating	Definition
High	Major contravention of policies, procedures or laws, unacceptable internal controls, high risk for fraud, waste or abuse, major opportunity to improve effectiveness and efficiency, major risk identified. Immediate corrective action is required. A short-term fix may be needed prior to it being resolved properly.
Medium	Moderate contravention of policies, procedures or laws, poor internal controls, significant opportunity to improve effectiveness and efficiency, significant risk identified. Corrective action is required. Need to be resolved as soon as resources can be made available, but within six months.
Low	Minor contravention of policies and procedures, weak internal controls, opportunity to improve effectiveness and efficiency, moderate risk identified. Corrective action is required. Need to be resolved within twelve months.

4. INHERENT LIMITATIONS

Due to the inherent limitations in any internal control structure, it is possible errors or irregularities may occur and not be detected. Further, the internal control structure, within which the control procedures that have been reviewed operate, has not been reviewed in its entirety and therefore no opinion is expressed as to the effectiveness of the greater internal control structure.

It should also be noted our review was not designed to detect all weaknesses in control procedures as it was not performed continuously throughout the period subject to review.

The review conclusion and any opinion expressed in this report have been formed on the above basis.

5. DETAILED AUDIT FINDINGS

5.1 Workforce Plan

Audit Finding

The Workforce Plan covers the period 2020-35 and was last updated in 2023. The date of publishing isn't clearly documented, but the Plan includes references to other documents that run from 2023. It was also noted that there is no documented date for future update.

Key Focus Areas for people and Culture are documented within the document, but the actions to implement are quite generic which makes it hard to assess effective implementation of the actions and timeframes are not clearly indicated as they all fall within the period 2020-25. There are also Measures of Success within the document which are not all monitored and reported.

Reporting to C-Suite and elected members was evidenced, but not all items are included and it appeared to be more focused on FTE and recruitment.

The Workforce Plan was also compared to the content recommended by the Integrated Planning and Reporting Framework and it was noted that it doesn't contain succession planning and although there is a general section on risk, there is no clear linkage to key organisational documented risks.

Risk Rating

Paxon has determined this finding to be of **Medium Risk**

Implication

- Workforce may not be optimised to meet the needs of the Town if the plan is not reviewed, updated and actions and targets are not monitored and reported.

Recommendation

5.1.1 The Workforce Plan should be regularly reviewed and updated in order to maintain alignment with other strategic documents and the future needs of the Town. The structure should be assessed to ensure it covers all suggested areas or is referenced to other relevant document. The date of publishing and next planned review date should also be included within the document.

5.1.2 Actions should be documented in a way that enables them to be tracked and action completion to be assessed.

5.1.3 Actions and measures should be actively monitored and reported. The frequency and audience for reporting should be formally documented.

Management Action

5.1.1 The WFP review has been on hold pending the guidance from the Department of Local Government Sport and Cultural Industries on planned updates to IPRF framework (Council Plan model) and the review of the SCP.

C-Suite have confirmed to proceed with a review of the Workforce Plan, separate to the SCP.

5.1.2 Actions outlined in the WFP will be clearly documented and tracked

5.1.3 Actions will be monitored and reported

Action Owner

5.1.1 Manager People & Culture

5.1.2 Manager People & Culture

5.1.3 Manager People & Culture

Target Completion Date

5.1.1 December 2026

5.1.2 February 2027

5.1.3 June 2027

5.2 Monitoring & Reporting of Plans

Audit Finding

There are a number of other plans that are in place within the Town, of which a sample were reviewed and the following points were noted:

- An Equal Employment Opportunity Management Plan 2023-27 (EEOMP) is in place, and although equal opportunities is included within the Workforce Plan the EEOMP itself is not referenced within the Workforce Plan and the documented desired outcomes and targets are not tracked.
- There is a Cultural Optimisation Strategy (2025-26) which includes key activities and key results, but these are not all clearly tracked and some of the results are documented as future actions or targets.

There is also a Public Health Wellbeing Strategy, which states that its effectiveness should be evaluated annually, but this does not appear to be in place.

Risk Rating

Paxon has determined this finding to be of **Medium Risk**

Implication

- Workforce may not be optimised to meet the needs of the Town if the plan is not reviewed, updated and actions and targets are not monitored and reported.

Recommendation

5.2.1 Actions should be documented in a way that enables them to be tracked and enable action completion to be assessed.

5.2.2 Actions and measures should be actively monitored and reported. The frequency and audience for reporting should be formally documented.

Management Action

5.2.1 & 5.2.2 P&C have since developed a reporting framework that is reported to C-Suite on a quarterly basis.

P&C will review the way actions are documented, tracked, monitored and reported as part of the WFP review.

Action Owner

Manager People & Culture

Target Completion Date

December 2026

5.3 Professional Development Processes

Audit Finding

The Town has an annual Professional Development process in place. This is defined within Guidelines that set out how the process should work and there is additional guidance for the staff member and line manager. There is a template to be completed and submitted on Sharepoint, but completion is tracked within an excel spreadsheet, as the process is predominantly manual. The Guidelines state that the process should be performed in June with final submission to People and Culture due in August.

It was noted that the professional development process was completed by only 133 out of 231 (58%) staff members. These were completed during the period August to November 2025, which indicates that many are not completed until over a quarter of the following year has passed, which impacts the ability to set and achieve goals or development for the following year:

Month	Number Completed	% of total
August	3	2%
September	58	44%
October	61	46%
November	11	8%
	133	100%

No analysis to identify services that have achieved lower rates of completion or activity to chase staff that have not completed the process was provided to Paxon during the course of this audit.

Risk Rating

Paxon has determined this finding to be of **Medium Risk**

Implication

- Individual performance is not optimised due to a lack of clear objectives and assessment of performance.

Recommendation

5.3.1 The Town should consider implementing a system to facilitate the completion and monitoring of professional development processes.

5.3.2 Processes for monitoring, reviewing and chasing completion should also be put in place.

Management Action

Currently we manually filter the spreadsheet and then follow up with individual managers. We also report completion rates to C-Suite broken down by functional area. A system would support automating this process.

As part of the 2026/2027 budget process a Learning Management System has been requested with the intent to include an automated process to facilitate the completion and monitoring of the professional development process.

Action Owner

Manager People & Culture

Target Completion Date

June 2027 if there is budget approval and a system is approved and procured by the end of 2026

5.4 Succession Planning

Audit Finding

Succession planning is included within Workforce Plan, but only in terms of a brief reference to female succession to help increase the female percentage of the workforce.

The Business Continuity Plan also contains some information but mainly in relation to alternate contacts if an incident should occur.

There is no documented succession plan in place which determines this area in any detail, such as key roles, talent identification and their development.

Risk Rating

Paxon has determined this finding to be of **Medium Risk**

Implication

- The Town may not be able to deliver effectively due to a lack of appropriate human resource.

Recommendation

The Town should develop a succession plan, which could include the elements set out above.

Management Action

Succession planning occurs at the Town through various mechanisms including the business continuity plan, leadership development, the performance development process and the employee value proposition.

The Town will develop a succession plan that encompasses all the of the above.

Action Owner

Manager People & Culture

Target Completion Date

February 2027

5.5 Psychosocial Hazards & Wellbeing

Audit Finding

The Town has a psychosocial and wellbeing program in place, as referenced within the Good Practice section of this report. However, improvement areas were noted in relation to the following areas:

The Town has a Management Practice entitled Psychosocial Hazards in the Workplace, which was last reviewed in May 2023, and does not contain a date for next review.

Within the Workforce Plan the topic of psychosocial is only referenced in relation to its inclusion within the employee survey. It was also noted that the only reference to wellbeing is in relation to reducing leave balances. There are no key focus areas or measures of success related to either of these areas.

. We understand that an exercise is in progress to identify operational risks WHS including psychosocial hazards and wellbeing, but this has not yet been completed for People & Culture.

Risk Rating

Paxon has determined this finding to be of **Low Risk**

Implication

- The wellbeing of staff may not be adequately addressed.

Recommendation

5.5.1 The Management Practice Psychosocial Hazards in the workplace should be considered for review and update, with the expected frequency documented.

5.5.2 The Workforce Plan should be expanded to include greater content around wellbeing or clear reference made to other documents that contain this information.

5.5.3 The Town-wide operational risk exercise should be completed including WHS, psychosocial hazards and wellbeing. This includes identifying, assessing and documenting within the Town's risk registers including controls and activities in place and any treatment action plans.

Management Action

5.5.1 Management accepts this recommendation

5.5.2 The WFP review was on hold pending the guidance from the Department of Local Government Sport and Cultural Industries on planned updates to IPRF framework (Council Plan model)and the SCP review

Management accepts this recommendation

5.5.3 Management accepts this recommendation, with a view to identifying, assessing and documenting appropriate controls and treatment action plans within the Town's newly established Operational Risk Register."

Action Owner Manager People & Culture

Target Completion Date

5.5.1 Management practice will be reviewed by June 2026

5.5.2 The Workforce plan will be reviewed by December 2026 and will be expanded to include content around wellbeing

5.5.3 The operational risk register people & culture section will be completed by December 2026.

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