TOWN OF VICTORIA PARK

Audit and Risk Committee

Minutes – 14 April 2025

WE'RE OPEN
VIC PARK

Please be advised that an **Audit and Risk Committee** was held at **5.30 PM** on **Monday 14 April 2025** in the **Birak Meeting Room**, Administration Centre at 99 Shepperton Road, Victoria Park.

Mayor Karen Vernon – Presiding Member
17 April 2025

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1 Declaration of opening

Mayor Karen Vernon opened the meeting at 5:30 pm.

Acknowledgement of Country

Mayor Karen Vernon read out the 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.

Town of Victoria Park Meeting Procedures Local Law 2019

Pursuant to Regulation 14C(2)(b) of the Regulations, Mayor Karen Vernon authorises Cr Jesse Hamer and Cr Daniel Minson to attend the Audit & Risk Committee meeting to be held on 14 April 2025, by the approved electronic means of MS Teams as Mayor Karen Vernon is satisfied that each of Cr Hamer and Cr Minson will be in suitable location from which they can attend the meeting, and the equipment that the members intend to use to attend the meeting, are suitable for the members to be able to effectively engage in deliberations and communications during the meeting in accordance with Regulation 14C(5) of the Regulations.

Pursuant to Regulation 14CA(5) of the Regulations, each of Cr Jesse Hamer and Cr Daniel Minson has declares that they can maintain confidentiality during the meeting or the closed part of the meeting (as the case requires).

2 Attendance

Presiding Member	Mayor Karen Vernon
Jarrah Ward	Cr Daniel Minson (Online) Cr Jesse Hamer (Online)
Chief Executive Officer	Mr Carl Askew
Chief Financial Officer	Mr Duncan Olde (Online)
Chief Operations Officer	Ms Natalie Adams
Manager Governance and Strategy	Ms Bernadine Tucker
Coordinator Governance and Strategy	Mr Jordan McDermott
Manager Technology and Digital Strategy	Mr Ernie Prandl (Online)
Manager Property Development and Leasing	Mr Paul Denholm
Meeting Secretary	Ms Winnie Tansanguanwong

2.1 Apologies

Banksia Ward	Cr Claire Anderson
Independent Committee Members	Mr Jonathan Seth

2.2 Approved leave of absence

Nil.

3 Declarations of interest

Nil.

4 Confirmation of minutes

COMMITTEE RECOMMENDATION:

Moved: Mayor Karen Vernon **Seconded:** Cr Jesse Hamer

That the Audit and Risk Committee confirms the minutes of the Audit and Risk Committee meeting held on 19 February 2025.

Carried (3 - 0)

For: Mayor Karen Vernon, Cr Jesse Hamer and Cr Daniel Minson
Against: Nil

5 Presentations

Nil.

6 Method of dealing with agenda business

COMMITTEE RECOMMENDATION:

Moved: Mayor Karen Vernon **Seconded:** Cr Jesse Hamer

That 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.

Carried (3 - 0)

For: Mayor Karen Vernon, Cr Jesse Hamer and Cr Daniel Minson
Against: Nil

7 Reports

7.1 Final Audit Report Leases and Licensing Management

This item is considered confidential in accordance with section 5.23(2)(f)(ii) of the Local Government Act 1995.

Location	Town-wide
Reporting officer	Audit, Risk and Assurance Adviser
Responsible officer	Chief Financial Officer
Voting requirement	Simple majority
Attachments	1. CONFIDENTIAL - Leases and Licenses Internal Audit Report - Final 8 April 2025 [**7.1.1** - 21 pages]

Summary

On the 8 April 2025 Australian Audit presented its final report on the Internal Leases and Licensing Management Audit.

Recommendation
That the Audit and Risk Committee recommends that Council notes the final Leases and Licensing Management Audit Report as contained in confidential attachment 7.1.1.

COMMITTEE RECOMMENDATION:

Moved: Cr Daniel Minson **Seconded:** Cr Jesse Hamer

That the Audit and Risk Committee recommends that Council notes the final Leases and Licensing Management Audit Report as contained in confidential attachment 7.1.1.

Carried (3 - 0)

For: Mayor Karen Vernon, Cr Jesse Hamer and Cr Daniel Minson

Against: Nil

7.2 Audit Update Report March 2025

Location	Town-wide
Reporting officer	Audit, Risk and Assurance Adviser
Responsible officer	Chief Executive Officer
Voting requirement	Simple majority
Attachments	1. CONFIDENTIAL - Audit actions Q3 2025 [**7.2.1** - 6 pages] 2. CONFIDENTIAL - Audit actions dashboard Q3 2025 [**7.2.2** - 1 page]

Summary

The Audit and Risk Committee recommends that Council receives the Audit Update Report for March 2025 as contained in Attachment 1.

Recommendation
The Audit and Risk Committee recommends that Council receives the Audit Update Report for March 2025 as contained in attachment 7.2.1.

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
3. Leases and Licensing Management audit has been completed.
4. Emergency Management audit is currently underway.
5. The Assessment of Operational Risks is due to be completed by the end of the year.

Discussion

6. The findings for the Leases and Licensing Management Audit include 5 low risk process improvements.
7. Last quarter there were 11 outstanding audit actions at 43% completion.
8. For Q3, there are 7 actions at 79% complete.

Audit Actions	Total Actions	No. of actions completed	No of actions overdue	No. of actions behind	No. of actions on track
Totals	**7**	**0**	**5**	**1**	**1**

9. All outstanding audit actions are being monitored.

Relevant documents

Not applicable.

Legal and policy compliance

Part 7 of the Local Government Act 1995

Local Government Regulations 1996

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	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	
Health and safety	Not applicable.		Low	
Data, Information Technology and Cyber	Not applicable.		Medium	
Assets	Not applicable.		Medium	
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-compliance, fraud and corruption risks which adversely impact on the Town's reputation.	Moderate	Low	TREAT risk by ensuring commitment to management actions to address findings.
Service delivery interruption	Not applicable.		Medium	

Engagement

Internal engagement	
Stakeholder	Comments
Business units	Managers providing responses and supporting documentation to the internal auditors.
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 organisational 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.

COMMITTEE RECOMMENDATION:

Moved: Cr Jesse Hamer **Seconded:** Cr Daniel Minson

The Audit and Risk Committee recommends that Council receives the Audit Update Report for March 2025 as contained in attachment 7.2.1.

Carried (3 - 0)

For: Mayor Karen Vernon, Cr Jesse Hamer and Cr Daniel Minson

Against: Nil

7.3 Corporate Business Plan Quarter 3 Progress Report Jan - Mar 2025

Location	Town-wide
Reporting officer	Audit, Risk and Assurance Advisor
Responsible officer	Chief Executive Officer
Voting requirement	Simple majority
Attachments	1. 01 Corporate Business Plan Q 3 2024-2025 report [**7.3.1** - 47 pages]

Summary

Recommendation
That the Audit and Risk Committee recommends that Council accepts the Corporate Business Plan Quarter 3 Progress reports for 1 January – 31 March 2025.

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. For Q3, there were 79 goals with a 76% goal completion.

Strategic outcome	Total Actions	No. of actions completed	No of actions overdue	No. of actions behind	No. of actions on track
Social	26	3	0	0	23
Economic	5	0	0	2	3
Environment	26	3	0	9	14

Civic Leadership	22	1	0	0	21
Totals	**79**	**7**	**0**	**11**	**61**

6. Attachment 1 contains a report on the Corporate Business Plan actions for Q3.

Relevant documents

Not applicable.

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	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.

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

COMMITTEE RECOMMENDATION:

Moved: Mayor Karen Vernon **Seconded:** Cr Daniel Minson

That the Audit and Risk Committee recommends that Council accepts the Corporate Business Plan Quarter 3 Progress reports for 1 January – 31 March 2025.

Carried (3 - 0)

For: Mayor Karen Vernon, Cr Jesse Hamer and Cr Daniel Minson

Against: Nil

7.4 Review of Policy 004 Risk Management

Location	Town-wide
Reporting officer	Audit, Risk and Assurance Adviser
Responsible officer	Manager Governance and Strategy
Voting requirement	Simple Majority
Attachments	1. Policy 004 Risk- Management - Current version [**7.4.1** - 3 pages] 2. Policy 004 Risk Management - With proposed Marked Up changes [**7.4.2** - 4 pages] 3. Policy 004 Risk Management - Accepted changes version [**7.4.3** - 3 pages]

Summary

Policy 004 – Risk Management was Adopted on 8 November 2016 and last Reviewed and Amended 13 December 2022.

The purpose of the risk management policy is to outline the mechanisms through which risks to the Town are identified and managed on an ongoing basis, ultimately helping to protect assets, stakeholders, and reputation. This report is being presented to Council to accept the minor changes made to the expansion of policy definitions to ensure clarity, consistency and a shared understanding among all stakeholders.

Recommendation
That the Audit & Risk Committee recommends to Council that the changes to Policy 004 Risk Management as contained in attachment 7.4.3 be adopted.

Background

1. Policy 004 – Risk Management was adopted on 8 November 2016 and last Reviewed and Amended 13 December 2022.
2. This policy has undergone further review.

Discussion

3. After a review of this policy, the following amendments are recommended:
   (a) The Objective Statement has been revised to provide more clarity about the purpose of the policy and aligning risk management efforts with broader organisational goals
   (b) The Scope has been amended to be more specific.
   (c) The definition of Risk in the Policy Definitions has been rephrased for clarity and includes a clearer link to organisational objectives.
   (d) The Policy Statement – Commitment to Risk Management Framework has been amended to emphasise a proactive approach to managing risks.
   (e) The Policy Statement - Goals of Risk Management Commitment has been amended to frame the goals with stronger protective language, aligning with an organisation-wide approach to risk.

(f) The revised version highlights that risk management is a fundamental part of the Towns overall governance and management activities, emphasising its central role in decision-making.
(g) Critical factors have been expanded with additional focus on continuous monitoring, escalation of risk events.

Relevant documents

Policy 004 – Risk Management

Legal and policy compliance

The policy definitions are based on the AS/NZS ISO 31000:2018 Risk Management Guidelines.

Financial implications

Current budget impact	Not applicable
Future budget impact	Not applicable

Risk management consideration

Risk impact category	Risk event description	Risk rating	Risk appetite	Risk Mitigation
Financial	Not applicable			
Environmental	Not applicable			
Health and safety	Not applicable			
Data, Information Technology and Cyber	Not applicable			
Assets	Not applicable			
Compliance Breach	Could lead to significant compliance breaches and a variety of consequences, both legal and operational	Low	Low	Establish a clear Policy review cycle
Reputation	Not applicable			
Service delivery interruption	Not applicable			

Engagement

Internal engagement	
Stakeholder	Not applicable

Strategic alignment

Civic Leadership	
Community Priority	Intended public value outcome or impact
CL3 - Accountability and good governance.	Ensures that the risk management framework remains effective, relevant, and aligned with the Towns goals, the changing business environment, and any emerging risks.

COMMITTEE RECOMMENDATION:

Moved: Cr Daniel Minson **Seconded:** Mayor Karen Vernon

That the Audit & Risk Committee recommends to Council that the changes to Policy 004 Risk Management as contained in attachment 7.4.3 be adopted.

Carried (3 - 0)

For: Mayor Karen Vernon, Cr Jesse Hamer and Cr Daniel Minson

Against: Nil

8 Motion of which previous notice has been given

Nil.

9 Meeting closed to the public

Nil.

9.1 Matters for which the meeting may be closed

Nil.

9.2 Public reading of resolutions which may be made public

Nil.

10 Closure

There being no further business, Mayor Karen Vernon closed the meeting at 5:57 pm.

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

Signed: .....

Dated this: ..... Day of: 2025