

# MINUTES

## Audit, Risk and Governance Committee Meeting

10 September 2024

Committee Members

Here within are the Minutes of the Audit, Risk and Governance Committee Meeting held Tuesday 10 September 2024 in the City of South Perth Council Chamber, corner Sandgate Street and South Terrace, South Perth.

*As this Committee does not hold Delegated Powers or Duties in accordance with Section 5.23 of the Local Government Act 1995 the meeting was not open to the public.*



MIKE BRADFORD  
CHIEF EXECUTIVE OFFICER

12 September 2024

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# Audit, Risk and Governance Committee Meeting - Minutes

## 1. DECLARATION OF OPENING / ANNOUNCEMENT OF VISITORS

The Chair declared the meeting open at 6.00pm and welcomed everyone in attendance.

## 2. ATTENDANCE

### Elected Members

Mayor (Chair)	Greg Milner
Como Ward (Deputy Chair)	Councillor Bronwyn Waugh
Manning Ward	Councillor André Brender-A-Brandis
Moresby Ward	Councillor Jennifer Nevard

### External Members

Mr Warwick Gately  
Ms Shona Zulsdorf

### Officers

Chief Executive Officer	Mr Mike Bradford
Director Corporate Services	Mr Garry Adams
Director Development and Community Services	Ms Donna Shaw
Director Infrastructure Services	Ms Anita Amprimo
Manager Finance	Mr Abrie Lacock
Manager Governance	Ms Toni Fry
Governance Coordinator	Mr Morgan Hindle
Governance Officer	Ms Jane Robinson

### 2.1 APOLOGIES

Nil.

### 2.2 APPROVED LEAVE OF ABSENCE

Nil.

### 3. DECLARATIONS OF INTEREST

Nil.

### 4. CONFIRMATION OF MINUTES

#### 4.1 AUDIT, RISK AND GOVERNANCE COMMITTEE MEETING HELD: 11 June 2024

##### Officer Recommendation AND COMMITTEE RECOMMENDATION

**Moved:** Ms Shona Zulsdorf

**Seconded:** Councillor Bronwyn Waugh

That the Minutes of the Audit, Risk and Governance Committee Meeting held 11 June 2024 be taken as read and confirmed as a true and correct record.

**CARRIED (6/0)**

**For:** Mayor Greg Milner, Councillors André Brender-A-Brandis, Jennifer Nevard and Bronwyn Waugh, Mr Warwick Gately and Ms Shona Zulsdorf.

**Against:** Nil.

### 5. PRESENTATIONS

Nil.

### 6. BUSINESS ARISING FROM PREVIOUS MEETING

Nil.

## 7. REPORTS

### 7.1 INTERNAL AUDIT - REVIEW OF THE INTERNAL AUDIT LOG

File Ref: D-24-34720  
Author(s): Garry Adams, Director Corporate Services  
Reporting Officer(s): Garry Adams, Director Corporate Services

#### Summary

This report tables the Internal Audit Review of the Internal Audit Log in accordance with the City's Strategic Internal Audit Plan 2022/2023 to 2026/2027.

The review contains one audit finding, with notations and observations. The audit includes strengths, weaknesses, rating, issues, recommendations and management comments.

#### Officer Recommendation AND COMMITTEE RECOMMENDATION

**Moved:** Ms Shona Zulsdorf  
**Seconded:** Mr Warwick Gately

That the Audit, Risk and Governance Committee recommends to Council that it:

1. Notes the Internal Audit Review of the Internal Audit Log contained in **Confidential Attachment (a)**; and
2. Accepts the one finding and associated recommendation contained in Section 5.3 of the Internal Audit Review of the Internal Audit Log, be added to the Audit Register.

**CARRIED (6/0)**

**For:** Mayor Greg Milner, Councillors André Brender-A-Brandis, Jennifer Nevard and Bronwyn Waugh, Mr Warwick Gately and Ms Shona Zulsdorf.

**Against:** Nil.

#### Background

For each Internal Audit completed, the reports are presented to the Audit, Risk and Governance Committee (ARGC) and then Council for acceptance of the recommendations.

#### Comment

The Internal Audit Review of the Internal Audit Log is a confidential report to be used for internal purposes to assist in improving business processes and systems. The report includes the strengths, weaknesses, rating, issues, risk ratings, recommendations and management comments.

## 7.1 Internal Audit - Review of the Internal Audit Log

The Internal Audit function is an essential component of the City's continuous improvement process and findings are welcome. All items included in the Audit Register are reported at each subsequent ARGC meeting, including information relating to the progress of implementing the Agreed Management Actions, a percentage complete indicator and officer comments. Various business units are responsible for providing quarterly updates of findings included in the Audit Register relating to their activities. As these issues are addressed and any identified future action implemented, a recommendation will be included to close the finding. Closed findings will no longer be reported in the Audit Register to the ARGC, but will be accessible by the Internal and External Auditors to review compliance.

Paxon have completed a review of the City's audit register as contained in **Confidential Attachment (a)** based on the status as of 14 December 2023. At that time a total of 99 actions were contained within the register; following evidence provided by the City and investigation by Paxon, 64 of these actions were certified as complete by Paxon. The remaining 35 actions were noted as being at various stages of completion.

On receipt of the review a detailed response was provided to Paxon which is contained in **Confidential Attachment (b)**. The 35 outstanding actions relate to 21 individual findings which sit across the responsibility of various business units. The function of managing the remediation of identified findings within the context of managing the regular day to day functions of the City can be a complex task. While it is acknowledged that there has been a delay in meeting the agreed target date in relation to some actions, this has primarily been caused by challenges in resourcing and the delay of the implementation of some information system modules.

The City's objective is to mitigate audit findings with a significant risk rating so that they move from significant to a reduced risk rating which is aligned with the City's accepted risk tolerance level. Moving forward it is expected that progress will continue to be made in relation to outstanding actions, prioritised by risk rating and operational requirements. An audit register review is a moving target as the City is continuously remediating open findings. This is demonstrated in the Audit Register Progress Report – 4<sup>th</sup> Quarter Update presented to the ARGC at this meeting, which provides a current update of the progress of all open findings, with 12 being recommended for closure.

### Consultation

Nil.

### Policy and Legislative Implications

The Internal Audit function is considered a business improvement process that will assist in compliance with the Local Government (Financial Management) Regulations 5 (CEO's duties as to financial management) and the Local Government (Audit) Regulations 17 (CEO to review certain systems and procedures).

### Financial Implications

The Internal Audit function has a budget of \$40,000 for the 2024/25 financial year, and it is anticipated that a budget of a similar amount is to be adopted for future years. Officers effort to undertake the improvements and report on progress has not been estimated.

**Key Risks and Considerations**

<b>Risk Event Outcome</b>	<p><b>Legislative Breach</b></p> <p>Refers to failure to comply with statutory obligations in the manner in which the City, its officers and Elected Members conduct its business and make its decisions and determinations. This embraces the full gamut of legal, ethical and social obligations and responsibilities across all service areas and decision making bodies within the collective organisation</p>
<b>Risk rating</b>	Medium
<b>Mitigation and actions</b>	<p>Quarterly reporting of progress on the Audit Register to the ARGC and Council. In the report, Officer comments on action taken and progressive completion of Actions are noted. Actions which are 100% complete are closed out and reported back to the ARGC. There is no future reporting on closed out actions.</p>

**Strategic Implications**

This matter relates to the following Strategic Direction identified within Council’s [Strategic Community Plan 2021-2031](#):

Strategic Direction: Leadership  
 Aspiration: A local government that is receptive and proactive in meeting the needs of our community  
 Outcome: 4.3 Good governance  
 Strategy: 4.3.4 Maintain a culture of continuous improvement

**Attachments**

- 7.1 (a): Internal Audit Review of the Internal Audit Log (*Confidential*)
- 7.1 (b): Response to Audit Log Review (*Confidential*)

## 7.2 QUARTERLY ACTIVITY REPORT

File Ref: D-24-33767  
Author(s): Christine Lovett, Senior Governance Officer  
Reporting Officer(s): Garry Adams, Director Corporate Services

### Summary

This report outlines the activities undertaken or proposed by the City of South Perth relating to Risk Management, Business Continuity and Workplace, Health, and Safety during first quarter of the 2024/25 financial year and an overview of the activities planned for the second quarter.

### Officer Recommendation AND COMMITTEE RECOMMENDATION

**Moved:** Ms Shona Zulsdorf  
**Seconded:** Mr Warwick Gately

That the Audit, Risk and Governance Committee recommends to Council that it:

1. Notes the details of the Quarterly Activity Report as contained in the body of the report;
2. Notes the two Corporate Operational Risks being escalated as contained within the report; and
3. Endorses the Strategic Risk Register as contained in **Confidential Attachment (a)**.

**CARRIED (6/0)**

**For:** Mayor Greg Milner, Councillors André Brender-A-Brandis, Jennifer Nevard and Bronwyn Waugh, Mr Warwick Gately and Ms Shona Zulsdorf.

**Against:** Nil.

### Background

The Council is responsible for the strategic direction of the City. The City's Audit, Risk and Governance Committee (ARGC) is a Committee of Council in accordance with the *Local Government Act 1995* (the Act) and is responsible for providing guidance, assistance and oversight to the Council, in relation to matters which include the City's compliance with Regulation 17 of the Local Government (Audit) Regulations 1996 (the audit regulations).

The responsibility of the Chief Executive Officer (CEO) in relation to Regulation 17 of the audit regulations includes reviewing the appropriateness and effectiveness of the City's systems and procedures in relation to:

- a) risk management;
- b) internal control; and
- c) legislative compliance.



## 7.2 Quarterly Activity Report

This activity report will provide an update on the City's Risk Management, Business Continuity and Workplace Health and Safety activities undertaken for the previous quarter and identifies proposed activities for the upcoming quarter.

Information contained in this report will assist the ARGC in fulfilling their responsibilities as they relate to Regulation 17 of the audit regulations.

### Comment

#### 1) Strategic Risk Register

The Strategic Risk Register (register) has been developed in consultation with the City's Elected Members and external members of the ARGC. The register was last endorsed by the ARGC at its meeting held 11 June 2024.

The register, as contained in **Confidential Attachment (a)**, has been reviewed by the Executive Management Team with all amendments identified in red text within the register.

This register is presented to the ARGC for review and endorsement prior to submission to Council for endorsement.

#### 2) Operational Risk Register

The Internal Risk Management Committee (IRMC) met on 6 August 2024 at which time the Operational Risk Register was presented for review.

The following two risks having been reviewed and remain at a high risk rating. In accordance with the requirements of the Risk Management Framework 2024 these risks are presented to the ARGC for review and noting.

##### i. Corp Risk 1.2 Physical security of City Officers and Assets

Outcome: Health/Injury

Due to hostile incidents which have occurred at City facilities, the residual likelihood of this risk event occurring remains as Possible, with the risk rating remaining as High.

##### Controls

Established Corporate policies, management practices, procedures and strategies including:

- Communications on 'increased alert level' provided via email.
- External provider engaged for building security.
- Swipe card access to staff administration areas.
- Additional security cameras installed at Animal Care Facility, George Burnett Leisure Centre and Civic Centre Customer Service.
- Audio communication on CCTV at Waste Kiosk (completed) and thermographic camera to be installed at Recycling Centre 'battery storage area'.
- Personal duress alarm for Animal Care Facility Officers working alone.

- Training and awareness sessions provided.
- Additional exit door installed in Development Services meeting room.
- Operations and Recycling Centre – main entry gates closed to the public outside business hours.
- Cashless operations at the Civic Centre.
- Security gate and fencing installed at the Civic Centre staff carpark.
- Security screens on all windows at Animal Care Facility.

Further actions/comments

- Develop and review policies and management practices to address security access.
- Further rollout/renew/upgrade of CCTV at all City buildings.
- Physical review of security at the Animal Care Facility, Rangers Office and Operations Centre reception area currently in progress.
- Review of National Terrorism Threat Level.

ii. **Corp Risk 5.0 Dependency on contractors to deliver key project/services.**

Outcome: Service Interruption

Due to the current labour market the residual likelihood of this event occurring remains as Possible, with the risk rating remaining as High.

Controls

- Robust supplier selection.
- Procurement Management provided by the Finance Services Business Unit.
- Use of WALGA preferred suppliers.
- Relationship management.

Further Actions/Comments

- Review contracts.
- Review public liability insurance levels (required by contractors).
- Consider the establishment of panel of contractors.
- While the residual rating of this risk is high, it is considered that all available mitigation strategies are in place to reduce the outcome of this risk impacting the City's community. Where necessary, key communication methods are utilised to inform our community of any delays/interruption to the expected delivery of a project or service.

**3) Business Continuity**

A Business Continuity Management Framework (BCMF) has been developed and was presented and noted at the 12 September 2023 ARGC Meeting. Progress has been continuing towards full implementation of all steps associated with the new BCMF.

**4) ISO 45001 Work Health and Safety**

The Executive Management Team, Work Health, and Safety - Safety Management System meeting was held in July 2024 at which time the WHS Annual Target and Objectives for 2023/24 were reviewed and finalised with the Annual Target and Objectives adopted for 2024/2025.

**5) Planned Activities**

The following activities are planned (subject to the availability of organisational officers) for the second quarter of the 2024/25 financial year:

System/Procedure	Activity	Expected Outcome
Risk Management	Operational risks to be reviewed on a quarterly basis	The City's Corporate Operational Risk register to be as current as reasonably practicable.
Risk Management	Development of further fraud and corruption training	Increased knowledge within the City's business units in order to further protect resources and information and safeguard the integrity and reputation of the City.
Business Continuity	Business Continuity Plans to be reviewed in accordance with the requirements of the Business Continuity Management Framework	The City's Business Continuity Plans to be as current as reasonably practicable.
Risk Management	Management Practice M695 Risk Management	Sound risk management practices and procedures to be further integrated into the City's strategic and operational planning process and day to day business practices.
Risk Management	Provide training program for identified officers	Provide support and guidance to officers ensuring they have familiarity with the City's risk management practices.
Workplace, Health and Safety	Continue to implement the annual Targets & Objectives	Targets are on track to be achieved for 2024/2025.

**Consultation**

Nil.

**Policy and Legislative Implications**

- Reg 17 (1) (a) (b) and (c) of the Local Government (Audit) Regulations 1996
  17. CEO to review certain systems and procedures
    - (1) The CEO is to review the appropriateness and effectiveness of a local government’s systems and procedures in relation to –
      - (a) risk management;
      - (b) internal control; and
      - (c) Legislative compliance
- *Work Health and Safety Act 2020*

**Financial Implications**

Nil.

**Key Risks and Considerations**

<b>Risk Event Outcome</b>	<b>Legislative Breach</b> Refers to failure to comply with statutory obligations in the manner in which the City, its officers and Elected Members conduct its business and make its decisions and determinations. This embraces the full gamut of legal, ethical and social obligations and responsibilities across all service areas and decision making bodies within the collective organisation
<b>Risk rating</b>	Low
<b>Mitigation and actions</b>	Continuous review and improvement in relation to all Risk Management, Business Continuity and Workplace Health and Safety activities.

**Strategic Implications**

This matter relates to the following Strategic Direction identified within Council’s [Strategic Community Plan 2021-2031](#):

- Strategic Direction: Leadership
- Aspiration: A local government that is receptive and proactive in meeting the needs of our community
- Outcome: 4.3 Good governance
- Strategy: 4.3.4 Maintain a culture of continuous improvement

**Attachments**

- 7.2 (a): Strategic Risk Register (*Confidential*)

### 7.3 2023/24 CORPORATE BUSINESS PLAN - 4TH QUARTER UPDATE

File Ref: D-24-34100  
Author(s): Fleur Wilkinson, Coordinator Organisational Planning & Performance  
Pele McDonald, Manager People and Performance  
Reporting Officer(s): Garry Adams, Director Corporate Services

#### Summary

This report provides an update on the progress of the Corporate Projects and Measures of Success identified in the Corporate Business Plan 2023/24-2026/27. It is recommended that the Audit, Risk and Governance Committee notes the progress recorded against each Corporate Project/Activity contained within the 2023/24 Corporate Business Plan Quarter 4 Report and notes the results for all Measures of Success (key performance indicators) contained within the Corporate Business Plan Measures of Success Report.

#### Officer Recommendation AND COMMITTEE RECOMMENDATION

**Moved:** Ms Shona Zulsdorf  
**Seconded:** Mr Warwick Gately

That the Audit, Risk and Governance Committee:

1. Notes the progress recorded against each project/activity within the Corporate Business Plan as described in the report contained within **Attachment (a)**; and
2. Notes the results recorded against each Measure of Success within the Corporate Business Plan as described in the Key Performance Indicator report contained within **Attachment (b)**.

**CARRIED (6/0)**

**For:** Mayor Greg Milner, Councillors André Brender-A-Brandis, Jennifer Nevard and Bronwyn Waugh, Mr Warwick Gately and Ms Shona Zulsdorf.

**Against:** Nil.

#### Background

The Strategic Community Plan (SCP) 2021-2031 was endorsed by Council at its meeting held 14 December 2021. A minor review of the SCP has recently been completed and endorsed by Council at its meeting held 23 April 2024.

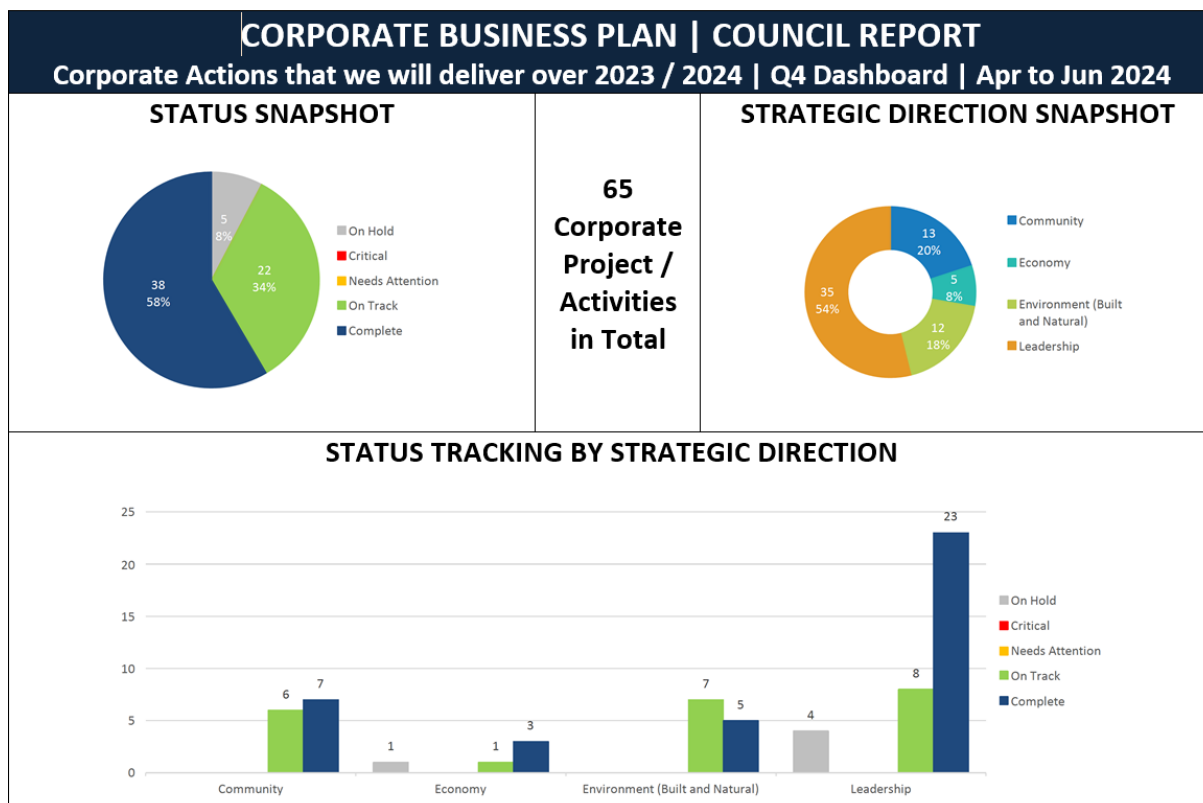
The Corporate Business Plan (CBP) translates the aspirations and strategies of the SCP into operational priorities and indicates how they will be resourced over a four-year period. The CBP outlines in detail the services and projects required to ensure delivery of the SCP and includes measures of success as an indication of performance.

The CBP for the period 2023/24 to 2026/27 was endorsed by Council at its meeting held 27 June 2023. The CBP for the new financial year 2024/25 to 2027/28 was endorsed by Council at its meeting held 25 June 2024 and the first quarter report will be presented to the November 2024 Audit, Risk and Governance Committee.

**Comment**

This is the progress report for quarter 4 of the 2023/24 planning year. The dashboard (shown in the screenshot below) has been designed within the “My Performance Planning” 1System module. This module is used by the City to record and report on all annual planned actions and measures of success within the CBP.

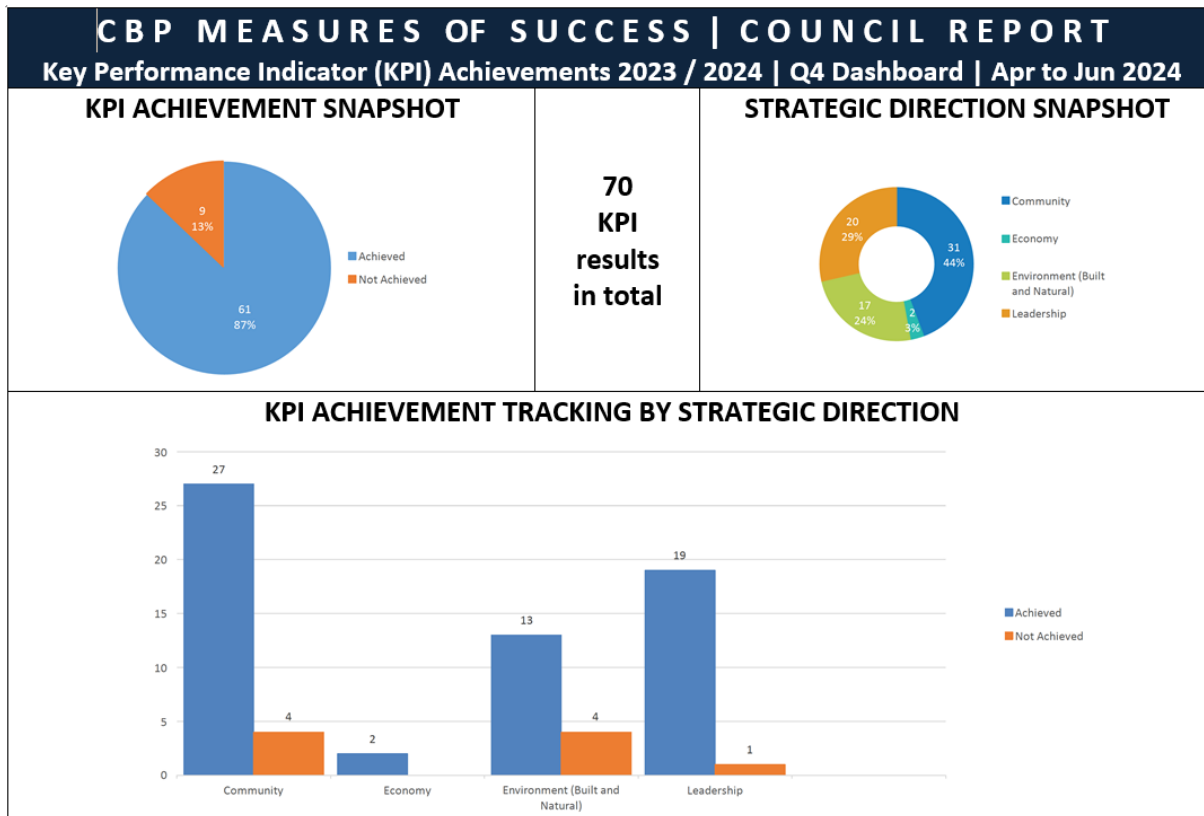
**The City of South Perth’s Corporate Business Plan Report - Quarter 4 Dashboard**



The attached CBP report is presented for information, with a comment by the officer in the Quarterly Updates column.

At the end of quarter 4 for the 2023/24 financial year, 38 (58%) of the 65 Corporate Actions have been completed, 22 (34%) are on track, five projects are on hold and there are no Corporate Actions with a critical status.

The City of South Perth’s CBP Measures of Success Report – Quarter 4 KPI Dashboard



At the end of quarter 4 for the 2023/24 financial year 61 (87%) of the 70 KPIs were achieved, and 9 (13%) not achieved.

The attached KPI report is presented for information, with a description by the officer in the Result Comment column when a KPI is not achieved.

**Consultation**

Nil.

**Policy and Legislative Implications**

Local Government (Administration) Regulations 1996.

**Financial Implications**

All projects and activities listed in the CBP Quarter 4 Update are fully funded within the 2023/24 Annual Budget.

## Key Risks and Considerations

<b>Risk Event Outcome</b>	<b>Reputational Damage</b> Deals with adverse impact upon the professional reputation and integrity of the City and its representatives whether those persons be appointed or elected to represent the City. The outcome can range from a letter of complaint through to a sustained and co-ordinated representation against the City and or sustained adverse comment in the media.
<b>Risk rating</b>	Medium
<b>Mitigation and actions</b>	Performance management by: <ol style="list-style-type: none"> <li>1. Annual business planning with business units to identify new actions for the financial year. (Failing to plan is planning to fail);</li> <li>2. Monitor progress of the Strategic Community Plan (SCP) through <ol style="list-style-type: none"> <li>a. Quarterly reporting of the Corporate Business Plan (CBP) Corporate Actions;</li> <li>b. Quarterly Key Performance Indicator reporting of CBP measures of success; and</li> </ol> </li> <li>3. Implementation of Audit findings in accordance with the Audit Register Progress Report.</li> </ol>

## Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2021-2031](#):

Strategic Direction:	Leadership
Aspiration:	A local government that is receptive and proactive in meeting the needs of our community
Outcome:	4.3 Good governance
Strategy:	4.3.4 Maintain a culture of continuous improvement

## Attachments

<b>7.3 (a):</b>	Q4 2023-24 CBP Project Status Updates
<b>7.3 (b):</b>	Q4 2023-24 CBP KPI Status Updates



## 7.4 AUDIT REGISTER PROGRESS REPORT - 4TH QUARTER UPDATE INCLUDING EXTERNAL AUDIT INTERIM REPORT

File Ref: D-24-34600  
Author(s): Christine Lovett, Senior Governance Officer  
Reporting Officer(s): Garry Adams, Director Corporate Services

### Summary

This report provides an update on the progress of actions included in the Audit Register. The Audit Register includes all open audit findings that have previously been accepted by the Audit, Risk and Governance Committee and Council.

This report also confirms to the Audit, Risk and Governance Committee that the Interim (External) Audit of the 2023/24 Annual Financial Statements have been finalised with no findings to report. Consequently, with reference to this audit there are no new items to record in the Audit Register.

### Officer Recommendation AND COMMITTEE RECOMMENDATION

**Moved:** Ms Shona Zulsdorf  
**Seconded:** Mr Warwick Gately

That the Audit, Risk and Governance Committee recommends to Council that it:

1. Notes the progress recorded against each item within the Audit Register in **Confidential Attachment (a)**; and
2. Approves the findings marked as Complete (100%) in the Audit Register, to be registered as closed and no longer reported to the Committee.
3. Notes that the Interim (External) Audit of the 2023/24 Annual Financial Statements have been finalised with no findings to report.

**CARRIED (6/0)**

**For:** Mayor Greg Milner, Councillors André Brender-A-Brandis, Jennifer Nevard and Bronwyn Waugh, Mr Warwick Gately and Ms Shona Zulsdorf.

**Against:** Nil.

### Background

The confidential Audit Register as contained in **Confidential Attachment (a)** lists internal and external audit findings and describes the progress of implementing improvements and the percentage completion. This report is prepared for noting the progress and completion of findings since the last meeting.

The External Audit, also known as Financial Audits or Audit of the Annual Financial Statements are conducted separately from Internal Audit. Internal Audit focuses on improving systems and processes, from a risk-based approach. External Audit focuses on providing an objective independent examination of the financial statements prepared by the City, increasing the value and user confidence in the financial statements.

### Comment

The Audit Register contained in **Confidential Attachment (a)** presents audit outcomes by 'Finding' numbers. Any given Finding may have more than one 'Recommendation' and associated 'Agreed Management Action.'

Only when all Agreed Management Actions related to a Finding are marked as 100% complete, will the report be presented to the Audit, Risk and Governance Committee (ARGC), with a recommendation that the Finding be closed.

The Audit Register has been formatted to ensure clarity as detailed below:

1. Where a Finding has more than one Agreed Management Action, it is represented with double lines around that entire Finding. There are currently no open findings with more than one Agreed Management Action;
2. Updates in relation to each Finding are displayed in chronological order i.e. latest update appears at the bottom of each Finding;
3. Each Finding that is to be closed (i.e. 100% complete for all Agreed Management Actions) is represented by a purple 'Closed Tally' column on the right and numbered; and
4. All Findings that are being recommended for closure by the ARGC are filtered to the end of the register.

The ARGC is requested to recommend that Council note the progress and officer comments. In addition, it is recommended all Findings marked as complete (100%) in the Audit Register be registered as closed. All closed items will not form part of the Audit Register report for future meetings.

It is requested to note the Audit Register in **Confidential Attachment (a)**.

In June 2024 the Office of the Auditor General (OAG) conducted Interim (External) Audit of the 2023/24 Annual Financial Statements. The OAG have subsequently confirmed that with reference to the Interim Audit there are no findings to report, consequently there are no new findings for inclusion in the Audit Register and no Interim Audit Report has been produced by the OAG.

### Strategic Internal Audit Plan

Work has been progressing with scheduled audits which were identified in the Strategic Internal Audit Plan presented to the 13 March 2023 ARGC meeting. The Project & Program Management Audit is expected to be presented at the November 2024 Audit, Risk and Governance Committee meeting.

### Consultation

Nil.

### Policy and Legislative Implications

The Internal Audit function is considered a business improvement process that will assist in compliance with Regulation 5 of the Local Government (Financial Management) Regulation 1996 (CEO's duties as to financial management) and Regulation 17 of the Local Government (Audit) Regulations 1996 (CEO to review certain systems and procedures).

### Financial Implications

The Internal Audit function has a budget of \$40,000 for the 2024/25 financial year, and it is anticipated that a budget of a similar amount is to be adopted for future years. Officers effort to undertake the improvements and report on progress has not been estimated.

### Key Risks and Considerations

<b>Risk Event Outcome</b>	<b>Legislative Breach</b> Refers to failure to comply with statutory obligations in the manner in which the City, its officers and Elected Members conduct its business and make its decisions and determinations. This embraces the full gamut of legal, ethical and social obligations and responsibilities across all service areas and decision making bodies within the collective organisation
<b>Risk rating</b>	Medium
<b>Mitigation and actions</b>	Quarterly reporting of progress on the Audit Register to the ARGC and Council. In the report, Officer comments on actions taken and progressive completion of Actions are noted. Actions which are 100% complete are closed out and reported to the ARGC. There is no future reported on closed out actions.

### Strategic Implications

This matter relates to the following Strategic Direction identified within Council's [Strategic Community Plan 2021-2031](#):

Strategic Direction:	Leadership
Aspiration:	A local government that is receptive and proactive in meeting the needs of our community
Outcome:	4.3 Good governance
Strategy:	4.3.1 Foster effective governance with honesty and integrity and quality decision making to deliver community priorities

### Attachments

<b>7.4 (a):</b>	Audit Register Report ( <i>Confidential</i> )
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## 7.5 POLICY REVIEW

File Ref: D-24-30672  
Author(s): Toni Fry, Manager Governance  
Reporting Officer(s): Garry Adams, Director Corporate Services

### Summary

The Terms of Reference of the Audit, Risk and Governance Committee include responsibility for reviewing the City's policies. A number of policies are now presented for the consideration of the Committee and referral to Council for adoption.

### Officer Recommendation AND COMMITTEE RECOMMENDATION

**Moved:** Ms Shona Zulsdorf  
**Seconded:** Mr Warwick Gately

That the Audit, Risk and Governance Committee recommends to Council that it:

1. Adopts the following revised policies with amendments as shown in **Attachment (a)**:

P102	Community Funding Program
P104	Community Awards
P106	Use of City Reserves and Facilities
P110	Financial Support of Community Organisations and Sporting Clubs
P118	Library Collection Development
P603	Investment of Surplus Funds
P605	Purchasing
P677	State Administrative Tribunal

2. Revokes the following policies as shown in **Attachment (b)**:

P105	Cultural Services Activities
P117	Library Services and Programs
P119	City of South Perth Local History Collection
P205	Tree Preservation
P208	Ecologically Sustainable Building Design
P687	Development of Council Owned Land

**CARRIED (6/0)**

**For:** Mayor Greg Milner, Councillors André Brender-A-Brandis, Jennifer Nevard and Bronwyn Waugh, Mr Warwick Gately and Ms Shona Zulsdorf.

**Against:** Nil.

### Background

In line with contemporary organisational models, the policy framework aligns policies to the City's Strategic Directions as contained in the Community Strategic Plan 2021-2031.

City Officers have been reviewing policies on a progressive basis during the 2024 calendar year. Each policy has been considered by the custodian business unit having the relevant technical expertise in relation to the policy content and subsequently by the Executive Management Team (EMT) representing each of the City's Directorates.

The review centres on the continuing relevance of the policy and the need to update it in light of any change in the legislative or operating environment. The review may identify a need to revise the policy, revoke the policy or that no change is needed.

During this review, there were no new policies drafted for consideration.

### Amended Policies

The policies listed below and at **Attachment (a)** are recommended with amendments as shown by track changes in each document.

A small summary explaining the amendments has been provided in the table below:

#### P102 Community Funding Program

It is proposed that the maximum grant amount for Individual Development Grants be removed from the policy. The content proposed to be removed from this policy is operational in nature; and so, it is more relevant to be outlined in the associated Management Practice (M102). Council considers the funding allocation for the Individual Development Grants as part of the approval process for the City's annual budget.

#### P104 Community Awards

The content proposed to be removed from this policy relates to some community awards that are no longer operational/obsolete. This includes Volunteer of the Year Awards, the Dr Ted Maslen Memorial University Exhibition Award and the High School Scholarship Awards.

### P106 Use of City Reserves and Facilities

The content proposed to be removed from this policy is operational in nature; and so, it is more relevant to be outlined in the associated Management Practice (M106).

In addition to the removal of content within this policy, it is recommended that the following additions be included:

- Provisions for the City to assess applications for the use of fireworks.
- A description of an act that is considered to be busking has been included along with the provision that it will be assessed in accordance with M106 Use of City Reserves and Facilities.
- Large scale events have been updated to be events with over 2,000 people.

Events like charity walks can exceed 500 people. Changing the definition of a large scale event provides the City with the ability to facilitate more of these low risk events. This is to provide the City with clear guidelines of the requirements for these applications.

### P110 Financial Support of Community Organisations and Sporting Clubs

The proposed new policy content is aimed to enhance the oversight of the provision of funding to local community organisations and sporting clubs.

Capital improvements to City owned or managed land that are initiated by the City are excluded from this policy.

Community Funding Program has been included and provides groups with the option to apply for minor capital upgrades. These applications will be assessed in accordance with the eligibility requirements of the assessment criteria.

### P118 Library Collection Development

In April 2024, the 'Library Services' Business Unit updated their name to be 'Community Learning and Libraries' and restructured the department to have three streams of service. This policy has been updated to reflect the new department name and to reflect the role specific duties of the City's Collection and Development Librarian. This is in relation to overseeing the selection of resources and materials for the City.

### P603 Investment of Surplus Funds

It is proposed that the policy be updated to allow the City to place 30% of total funds invested, as opposed to the current 25% with one institution. This change is needed as there are instances where only some of the largest banks in Australia are currently offering competitive rates above the general market averages. The change will allow the City to place more funds with these larger higher rated banks (typically the big 4 Australian Banks) with an improved return on investment with very little increase in risk.

### P605 Purchasing

The purchasing thresholds have been amended to reflect the general price increases of the goods and services due to rising input costs and wage increases in businesses. In increasing the thresholds, the City will be able to maintain administrative efficiency.

### P677 State Administrative Tribunal

P677 provides guidance for ensuring that such Council decisions are appropriately defended in the event of an application for review being lodged with the State Administrative Tribunal.

P677 has been updated to:

- Clarify that no appointment of legal representation can be made in certain circumstances in accordance with Section 239 of the *Planning and Development Act 2005*; and
- Provide criteria in relation to seeking an order relating to costs against an applicant.

### **Policies to be revoked**

The policies listed below and at **Attachment (b)** are recommended to be revoked for the reasons detailed below:

### P105 Cultural Services Activities

Council considers the funding allocation for community events and cultural projects as part of the approval process for the City's annual budget. It is proposed that this policy be revoked as community events and cultural services delivered by the City are based on community feedback and then subsequently approved by Council through the budget process.

### P117 Library Services and Programs

This policy is operational in nature; and so, it is more relevant to be outlined in the associated Management Practice (M117).

### P119 City of South Perth Local History Collection

This policy is operational in nature; and so, it is more relevant to be outlined in the associated Management Practice (M119).

### P205 Tree Preservation

P205 encourages Officers and residents to recommend trees, considered to be of City-wide significance, for inclusion in the Register of Significant Trees, relating to Tree Preservation Orders created under former Town Planning Scheme No. 6.

In considering Local Planning Scheme No. 7 (LPS7) for final adoption, the Minister for Planning required that the Tree Preservation Orders be deleted, on the basis that the State Government is undertaking a strategic review of tree retention.

The proposed supplemental provisions in draft LPS7 effectively as Tree Preservation Orders are no longer provided in LPS 7, P205 is redundant and is recommended for revocation.

### P208 Ecologically Sustainable Building Design

P208 seeks to endorse and embrace the principles of Ecologically Sustainable Development through building design guidelines for City buildings and related projects including greenfield and brownfield developments. It provides that the City will agree to support sustainable development in its building design - by utilising environmentally sustainable design (ESD).

The Policy refers to incorrect references and obsolete strategies. Given section 3.1 of the *Local Government Act 1995* requires Council to (i) promote the economic, social and environmental sustainability of the district; (ii) to plan for, and to plan for mitigating, risks associated with climate change; and (iii) in making decisions, to consider potential long-term consequences and impacts on future generations; and that the City would comply with ESD requirements of the National Construction Code and the principles of the Green Building Council of Australia in any instance, the Policy is considered suitable for revocation.

### P687 Development of Council Owned Land

This policy is intended to cover applications involving significant developments on Council owned or controlled land for commercial purposes (rezoning and development of land) and provides for the appointment of an independent, appropriately qualified professional to assess any proposals to this effect.

The City has in-house expertise related to planning and land administration and the requirement to always appoint an external consultant to prepare and assess such proposals is not considered an effective use of resources. The City can seek independent expert advice where required.

Proposals involved rezoning, development assessment or undertaking a major land transaction or trading undertaking require statutory processes to be undertaken in accordance with the Planning and Development (Local Planning Schemes) Regulations 2015 and the *Local Government Act 1995*, including public consultation. This legislation requires a Council resolution to proceed with such proposals and as such, Council has oversight of these decisions.

It is recommended that P687 be revoked to enable the City to prepare proposals for development of Council owned land for Council's consideration.



**Consultation**

Nil.

**Policy and Legislative Implications**

The reviewed policies are consistent with the *Local Government Act 1995*, relevant legislation and guidelines and other City documents.

**Financial Implications**

Nil.

**Key Risks and Considerations**

<b>Risk Event Outcome</b>	<p><b>Legislative Breach</b></p> <p>Refers to failure to comply with statutory obligations in the manner in which the City, its officers and Elected Members conduct its business and make its decisions and determinations. This embraces the full gamut of legal, ethical and social obligations and responsibilities across all service areas and decision making bodies within the collective organisation</p>
<b>Risk rating</b>	Low
<b>Mitigation and actions</b>	Review of all City policies on a regular basis.

**Strategic Implications**

This matter relates to the following Strategic Direction identified within Council’s [Strategic Community Plan 2021-2031](#):

- Strategic Direction: Leadership
- Aspiration: A local government that is receptive and proactive in meeting the needs of our community
- Outcome: 4.3 Good governance
- Strategy: 4.3.1 Foster effective governance with honesty and integrity and quality decision making to deliver community priorities

**Attachments**

- 7.5 (a): Policies to be Amended
- 7.5 (b): Policies to be Revoked

**8. OTHER RELATED BUSINESS**

Nil.

**9. CLOSURE**

The Presiding Member declared the meeting closed at 6.52pm.

These Minutes were confirmed at the next Audit, Risk and Governance Committee Meeting yet to be determined.

Signed: \_\_\_\_\_  
Presiding Member at the meeting at which the Minutes were confirmed.