



## **AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING**

# **MINUTES**

**NOTICE IS HEREBY GIVEN that an  
Audit, Risk and Improvement Committee Meeting  
was held in Council Chambers,  
Welcome Road, Karratha,  
on Tuesday, 25 November 2025 at 3.00pm**

A handwritten signature in black ink, appearing to read "VMiltrup", is positioned above a horizontal line.

**VIRGINIA MILTRUP  
CHIEF EXECUTIVE OFFICER**



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**WRITTEN CONFIRMATION**

of the outcome of the application, and any conditions attaching to the decision made by the City of Karratha in respect of the application.

Signed: Virginia Miltrup  
**Virginia Miltrup - Chief Executive Officer**

## DECLARATION OF INTERESTS (NOTES FOR YOUR GUIDANCE) (*updated 13 March 2000*)

A member who has a **Financial Interest** in any matter to be discussed at a Council or Committee Meeting, which will be attended by the member, must disclose the nature of the interest:

- (a) In a written notice given to the Chief Executive Officer before the Meeting or;
- (b) At the Meeting, immediately before the matter is discussed.

A member, who makes a disclosure in respect to an interest, must not:

- (c) Preside at the part of the Meeting, relating to the matter or;
- (d) Participate in, or be present during any discussion or decision-making procedure relative to the matter, unless to the extent that the disclosing member is allowed to do so under Section 5.68 or Section 5.69 of the *Local Government Act 1995*.

## NOTES ON FINANCIAL INTEREST (FOR YOUR GUIDANCE)

The following notes are a basic guide for Councillors when they are considering whether they have a **Financial Interest** in a matter. I intend to include these notes in each agenda for the time being so that Councillors may refresh their memory.

1. A Financial Interest requiring disclosure occurs when a Council decision might advantageously or detrimentally affect the Councillor or a person closely associated with the Councillor and is capable of being measure in money terms. There are exceptions in the *Local Government Act 1995* but they should not be relied on without advice, unless the situation is very clear.
2. If a Councillor is a member of an Association (which is a Body Corporate) with not less than 10 members i.e. sporting, social, religious etc), and the Councillor is not a holder of office of profit or a guarantor, and has not leased land to or from the club, i.e., if the Councillor is an ordinary member of the Association, the Councillor has a common and not a financial interest in any matter to that Association.
3. If an interest is shared in common with a significant number of electors or ratepayers, then the obligation to disclose that interest does not arise. Each case needs to be considered.
4. If in doubt declare.
5. As stated in (b) above, if written notice disclosing the interest has not been given to the Chief Executive Officer before the meeting, then it **MUST** be given when the matter arises in the Agenda, and immediately before the matter is discussed.
6. Ordinarily the disclosing Councillor must leave the meeting room before discussion commences. The **only** exceptions are:
  - 6.1 Where the Councillor discloses the **extent** of the interest, and Council carries a motion under s.5.68(1)(b)(ii) of the *Local Government Act 1995*; or
  - 6.2 Where the Minister allows the Councillor to participate under s5.69 (3) of the *Local Government Act 1995*, with or without conditions.

## INTERESTS AFFECTING IMPARTIALITY

**DEFINITION:** *An interest that would give rise to a reasonable belief that the impartiality of the person having the interest would be adversely affected, but does not include an interest as referred to in Section 5.60 of the 'Act'.*

A member who has an **Interest Affecting Impartiality** in any matter to be discussed at a Council or Committee Meeting, which will be attended by the member, must disclose the nature of the interest;

- (a) in a written notice given to the Chief Executive Officer before the Meeting; or
- (b) at the Meeting, immediately before the matter is discussed.

## IMPACT OF AN IMPARTIALITY CLOSURE

There are very different outcomes resulting from disclosing an interest affecting impartiality compared to that of a financial interest. With the declaration of a financial interest, an elected member leaves the room and does not vote.

With the declaration of this new type of interest, the elected member stays in the room, participates in the debate and votes. In effect then, following disclosure of an interest affecting impartiality, the member's involvement in the Meeting continues as if no interest existed.

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# AGENDA

## 1 OFFICIAL OPENING

The Meeting of Audit, Risk and Improvement Committee held in the Council Chambers, Welcome Road, Karratha on Tuesday, 25 November 2025 was declared open at 3:32pm. Chief Executive Officer Virginia Miltrup acknowledged the traditions of the Ngarluma people, on whose land we are gathered here today.

## 2 RECORD OF ATTENDANCES AND APOLOGIES

Committee Members:	Phillip Draber	(Chairperson)
	David Price	(Deputy Chairperson)
	Cr Jodie Swaffer	(Via Teams and in person at 3:52pm)
	Cr Tony Simpson	
	Cr Geoff Harris	
Staff:	Virginia Miltrup	Chief Executive Officer
	Chloe Morris	Director Corporate Services
	Henry Eaton	Manager Governance
	Christine Palmer	Chief Financial Officer
	Sarah Latimer	Corporate Accountant (until 4:07pm)
	Miranda Geal	Governance Coordinator – Procurement and Compliance
	Izabella Brandis	Minute Secretary
External:	Iris Yap	Office of the Auditor General
	Amit Kabra	RSM Australia
	Hafizah Binti Zakaria	RSM Australia
Apologies:	Cr Daniel Scott	

## 3 DECLARATIONS OF INTEREST

There were no declarations of interest.

## **4 CONFIRMATION OF MINUTES AND BUSINESS ARISING FROM MINUTES OF PREVIOUS MEETINGS**

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### **OFFICER'S RECOMMENDATION / COMMITTEE RESOLUTION**

**MOVED** : Cr Simpson  
**SECONDED** : D. Price  
**Res No** : ARIC20251125-01

That the Minutes of the Audit and Organisational Risk Committee Meeting held on Monday, 11 August 2025, be confirmed as a true and correct record of proceedings.

**CARRIED 5/0**

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**FOR:** P. Draber, D. Price, Cr Swaffer, Cr Harris, Cr Simpson.  
**AGAINST:** Nil

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### **COMMITTEE RECOMMENDATION/ COMMITTEE RESOLUTION**

**MOVED** : Cr Simpson  
**SECONDED** : Cr Harris  
**Res No** : ARIC20251125-02

That the Committee suspend standing orders at 3:35pm to hear from the Office of the Auditor General and RSM Australia, and to allow open discussion of the audit findings for the Financial Year 2024/25 and Officer Reports.

**CARRIED 5/0**

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**FOR:** P. Draber, D. Price, Cr Swaffer, Cr Harris, Cr Simpson.  
**AGAINST:** Nil

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### **COMMITTEE RECOMMENDATION / COMMITTEE RESOLUTION**

**MOVED** : Cr Swaffer  
**SECONDED** : Cr Simpson  
**Res No** : ARIC20251125-11

That the committee resume standing orders 5:12pm.

**CARRIED 5/0**

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**FOR:** P. Draber, D. Price, Cr Swaffer, Cr Harris, Cr Simpson  
**AGAINST:** Nil

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### **COMMITTEE RESOLUTION**

**MOVED** : Cr Swaffer  
**SECONDED** : Cr Simpson  
**Res No** : ARIC20251125-03

**That the Officer Recommendations for Items 5.1, 6.3, 6.4, 7.1, 8.1, 9.1, 9.2 and 9.3 be adopted en bloc, and the remaining items be dealt with separately.**

**CARRIED EN BLOC 5/0**

FOR: P. Draber, D. Price, Cr Swaffer, Cr Harris, Cr Simpson  
AGAINST: Nil

## 5 FINANCE

Iris Yap (OAG), Amit Kabra (RSM), and Hafizah Binti Zakaria (RSM) entered the meeting at 3:35pm.

Cr Swaffer entered the room at 3:52pm.

### 5.1 2024/25 ANNUAL FINANCIAL REPORT AND AUDIT OPINION

<b>File No:</b>	FM.1
<b>Responsible Executive Officer:</b>	Director Corporate Services
<b>Reporting Author:</b>	Chief Financial Officer
<b>Date of Report:</b>	8 November 2025
<b>Applicant/Proponent:</b>	Nil
<b>Disclosure of Interest:</b>	Nil
<b>Attachment(s):</b>	<ol style="list-style-type: none"><li>1. Annual Financial Report 2024/25</li><li>2. Independent Auditors Closing Report 2024/25</li><li>3. Management Representation Letter 30 June 2025</li><li>4. IT Audit - Management Letter Attachment</li></ol>

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#### PURPOSE

To receive the Annual Financial Report of the City's affairs for the financial year ended 30 June 2025 and to consider the Independent Auditor's Report and Management Letter provided by the Office of the Auditor General (OAG).

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#### OFFICER'S RECOMMENDATION / COMMITTEE RESOLUTION

**MOVED** : Cr Swaffer  
**SECONDED** : Cr Simpson  
**Res No** : ARIC20251125-04

That the Audit, Risk, and Improvement Committee:

1. **ACCEPT** the Annual Financial Report for the Year ended 30 June 2025;
2. **ACCEPT** the Independent Auditor's Closing Report from the Office of the Auditor General for the year ended 30 June 2025; and
3. **NOTE** the Management Report for the Financial Audit provided by the Office of the Auditor General for the year ended 30 June 2025.

**CARRIED EN BLOC 5/0**

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**FOR:** P. Draber, D. Price, Cr Swaffer, Cr Harris, Cr Simpson  
**AGAINST:** Nil

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#### BACKGROUND



The Office of the Auditor General (OAG) subcontracted RSM Australia to undertake the annual financial audit for the City for the 2024/25 financial year. The purpose of the audit is to express an opinion on the financial report and internal controls.

The Annual Financial Statements were presented to the auditors on 30 September 2025. RSM Australia audit staff attended site on the 20-24th October 2025 to commence their field work. The legislated timeframe to have the audit completed and accepted by Council is by the 31 December of each year.

On completion of the annual financial audit, the OAG provided the attached Independent Auditor's Report and Management Letter, including audit findings and recommendations for the annual financial statements.

#### Audit Opinion

An unqualified opinion is to be issued by the OAG following today's presentation indicating that the City's financial report is based on proper accounts and fairly represents, in all material respects, the results of the operations of the City for the year ended 30 June 2025 and its financial position at the end of that period in accordance with the *Local Government Act 1995* (Act).

#### Management Reports and Findings

The auditors prepare a management report that identifies deficiencies in internal controls that require management attention. The matters reported from the Annual Financial Statements Audit (Table 2) and the Information Technology General Controls Audit (Table 3) are detailed below outlining Management's response and estimated completion dates.

*Table 1 – Summary risk rating per Finding*

<b>Risk Ratings:</b>	<b>Significant</b>	<b>Moderate</b>	<b>Minor</b>
Annual Financial Report Audit 2025	-	-	-
IT General Controls Audit 2025	-	1	3
Matters outstanding from prior years			
- Financial Statements audit	-	-	-
- General Computer Controls Review	-	-	1

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#### **CONFIDENTIAL**

*Table 2 - Findings from the 2025 Annual Financial Report Audit*

*Table 3 - Findings from the 2025 IT General Controls Audit*

**LEVEL OF SIGNIFICANCE**

In accordance with Council Policy *CG-8 Significant Decision Making Policy*, this matter is considered to be of moderate significance in terms of Council's ability to perform its role.

**STATUTORY IMPLICATIONS**

Part 7 Division 3A of the Act particular sections 7.12AA-7.12AE and regulation 10 of the *Local Government (Audit) Regulations 1996* provide for the conduct of the annual audit and the report by the auditor.

Section 5.54 of the Act provides for acceptance of annual reports by the local government.

Section 5.55A of the Act provides that the annual report, including the auditor's report and the audited financial report, are to be published on the City's official website within 14 days after the annual report has been accepted by the Council.

Section 7.12A of the Act requires significant matters requiring attention from an audit to be reported to the Minister within 3 months after the audit report is received with what actions are being undertaken and for the report to then also be disclosed on the City's website.

**COUNCILLOR/OFFICER CONSULTATION**

Financial Services staff, the Chief Financial Officer, Director Corporate Services and CEO have been involved regarding the finalisation of the annual financial report and a response to the audit opinion.

The Annual Financial Statements will be presented in this meeting with the OAG and RSM Australia representatives before the Statements are presented to Council.

**COMMUNITY CONSULTATION**

The community will be invited to attend the Annual Electors' Meeting to discuss the contents of the City's Annual Report that will contain the Annual Financial Report and the Independent Auditor's Report.

**POLICY IMPLICATIONS**

The financial report was prepared in accordance with the Australian and International Accounting Standards.

**FINANCIAL IMPLICATIONS**

In summary, the Annual Financial Report indicated that the City had as at 30 June 2025:

	30 June 2025	30 June 2024	Inc/(Dec)
Net Result	\$40,095,871	\$29,964,313	\$10,131,558
Total Current Assets	\$159,055,040	\$138,327,453	\$20,727,587
Total Non-Current Assets	\$776,587,365	\$757,474,208	\$19,113,157
Total Assets	\$935,642,405	\$895,801,661	\$39,940,744
Total Liabilities	\$24,073,324	\$22,919,751	\$1,153,573
Cash Reserves	\$134,007,588	\$115,590,641	\$18,416,947
Property, Plant & Equipment	\$298,518,843	\$297,560,753	\$958,090
Investment Property	\$47,350,000	\$46,350,000	\$1,000,000
Infrastructure Assets	\$426,042,942	\$408,731,471	\$17,311,471
<b>Final Surplus</b>	<b>\$9,109,164</b>	<b>\$8,147,653</b>	<b>\$961,511</b>

**STRATEGIC IMPLICATIONS**

This item is relevant to the City of Karratha's approved Council Plan 2025-2035.

Goal: 7 Our civic leaders are innovative, listening and balanced in meeting community needs.

Objective: 7.5 Provide strong financial management and transparency

### **RISK MANAGEMENT CONSIDERATIONS**

The level of risk to the City is considered to be as follows:

Category	Risk level	Comments
Health	N/A	Nil
Financial	Moderate	Significant controls and oversight in place throughout the year to monitor financial performance. Audits assist in minimising risks.
Service Interruption	Low	Improving IT security policies, system and processes will minimise service interruption.
Environment	N/A	Nil
Reputation	Low	Significant controls and oversight in place throughout the year to protect the City from reputational damage.
Compliance	Moderate	Significant controls and oversight in place throughout the year to ensure high levels of compliance.

### **IMPACT ON CAPACITY**

There is no impact on capacity or resourcing to carry out the Officer's recommendation.

### **RELEVANT PRECEDENTS**

The external audit is completed annually and reported to the Audit, Risk and Improvement Committee and Council prior to the Annual Electors' Meeting.

### **VOTING REQUIREMENTS**

Simple Majority.

### **CONCLUSION**

The OAG has provided an unqualified Audit Opinion indicating that the accounts are a true and fair representation of the City's financial performance for the financial year ended 30 June 2025.

The OAG's Management Report for the Financial Audit highlighted no audit findings. The Management Report for the Information Technology General Controls Audit identified one moderate and three minor risks. Actions are underway to address all findings.

It is recommended that the Annual Financial Report and the Independent Auditor's Report be presented to Council to enable the Annual Electors' Meeting to be convened.

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### **COMMITTEE QUESTION-**

Was the City 'audit ready' at the time the statements were handed over, and were they to an appropriate standard?

### **AUDITOR RESPONSE-**

Yes, everything required was audit ready, completed in time, and minimal adjustments were required. This was a very good quality financial statement process.

**COMMITTEE QUESTION-**

Remediation hadn't been looked at as far as estimates since 2019, can I ask the Administration to get onto obtaining the up to date information.

**OFFICER RESPONSE-**

The consultant has been working on the report and the information will be up to date for the next final audit. RSM are aware of this as the City have updated them on this issue.

**COMMITTEE QUESTION-**

Is it possible to receive a briefing paper on each major attachment or report prior to each meeting that highlights key sections of each?

**OFFICER RESPONSE-**

We will consider this for future meetings and assess its possibility.

**COMMITTEE QUESTION-**

One of the IT General Controls Audit findings discusses penetration testing, the completion date for this is June 2026, what is being done in the interim until this date, and when will penetration testing resume?

**OFFICER RESPONSE-**

We have initiated procurement processes for a range of Information Technology services, alongside a service review that is presently in progress. Penetration testing is anticipated to begin in Q3.

**COMMITTEE QUESTION-**

Will this be complete by Q4, or will we need to alter our deadline?

**OFFICER RESPONSE-**

We provide an IT update in item 9 of this agenda, including a current IT service review that is underway. If we need to reassess it will be identified within the review and within Q3, at this stage we are on track.

Iris Yap (OAG), Amit Kabra (RSM), and Hafizah Binti Zakaria (RSM) left the meeting at 4:05pm.

## 6 GOVERNANCE

Sarah Latimer left the meeting at 4:07pm

### 6.1 TERMS OF REFERENCE

**File No:** CM.246  
**Responsible Executive Officer:** Director Corporate Services  
**Reporting Author:** Manager Governance  
**Date of Report:** 11 November 2025  
**Applicant/Proponent:** Nil  
**Disclosure of Interest:** Nil  
**Attachment(s):** ARIC Terms of Reference (DRAFT)

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#### PURPOSE

For the Audit, Risk and Improvement Committee to consider a draft updated Terms of Reference for this Committee.

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#### OFFICER'S RECOMMENDATION / COMMITTEE RESOLUTION

**MOVED** : D. Price  
**SECONDED** : Cr Simpson  
**Res No** : ARIC20251125-05

That the Audit, Risk and Improvement Committee **ACCEPT** the updated Terms of Reference for the Audit, Risk and Improvement Committee, inclusive of identified amendments.

**CARRIED 5/0**

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**FOR:** P. Draber, D. Price, Cr Swaffer, Cr Harris, Cr Simpson  
**AGAINST:** Nil

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#### BACKGROUND

The Terms of Reference were last considered by this Committee on 11 August 2025 where it was resolved:

Res No : AORC20250811-03  
Moved : D. Price  
Seconded : Cr Gillam

That the Audit and Organisational Risk Committee:

1. **ACCEPT** the name change from 'Audit and Organisational Risk Committee' to 'Audit, Risk and Improvement Committee',
2. **INCLUDE** within the Terms of Reference that a member of the committee will be the spokesperson at Council on behalf of the Committee in the absence of the independent Chairperson and Deputy Chairperson, and

3. REQUEST officers present a revised and final draft of the Terms of Reference back to the Committee in 3 months.

CARRIED 5/0

The Minutes of the Audit and Organisational Risk Committee were received at the 22 September 2025 Ordinary Council Meeting.

At the Ordinary Council Meeting of 27 October 2025, representations were confirmed of elected members to the Committee comprising of Mayor Scott, Cr Swaffer, Cr Harris and Cr Simpson.

As previously reported to this Committee on 11 August 2025, the Terms of Reference has been re-written to align with the *Local Government Amendment Act 2024* (sections 86-90), which redefines the role of audit committees as 'Audit, Risk and Improvement Committees' that have broader responsibilities encapsulating the integrated planning and reporting framework, performance measures, and service reviews. Leadership of the Committee transitioned on 1 July 2025 to having an independent audit chairperson and deputy chairperson in addition to Council members with appropriate skills to effectively oversee the Committee's functions.

The *Amendment Act* was assented on 6 December 2024 however provisions related to the Audit Committee are awaiting proclamation by the Governor. Changes to the Terms of Reference are based on the soon to be introduced provisions.

Earlier versions of this Committee's Terms of Reference reflects a framework, focused primarily on financial oversight, audit, and compliance.

Section	Amendment	Rationale
Reference to Legislative Amendments	Reflects the amendments to the <i>Local Government Act</i> , changing audit committees to "Audit, Risk and Improvement Committees."	Current version has no mention of the 2024 amendments; still references older legislative basis.
1. Purpose of establishment	Emphasises expanded scope including improvement functions and independent chairing.	Current version focused primarily on audit and risk, under Part 7 of the Act and Audit Regs 1996.
4. Composition and Tenure	Incorporates independent persons into the Terms of Reference, the method of engagement, terms and conditions, skill sets, remuneration.	Introduced as part of legislative reform. Current version has no reference to independent external members or their appointment criteria.
	Voting members clarified	Added independent members
	Non-voting observers expanded	Added CFO to list.
	Attendance at meetings through electronic means must comply with legislation.	Independent chair and deputy chair are based remotely and will need to comply with no more than 50% of meetings being

Section	Amendment	Rationale
		conducted through online means.
5. Functions	Expanded to include Improvement responsibilities as they relate to the IPR framework, performance measures.	Reform measures: Current version does not mention service reviews or performance management
7. Conduct	Updated reference to code of conduct	Code of conduct renamed to meet statutory requirements.
9. Meetings	<p>Proposing meeting every quarter for no more than 2 hours.</p> <p>Quorum details noted with inclusion of independent persons</p> <p>Members need to attend in person for no less than 50% of meetings.</p> <p>Meetings to be held openly wherever possible.</p>	<p>Previously a target of 3 meetings per annum was set but often would be between 1-2 per annum.</p> <p>50% of members need to be present with at least 50% being Council Members.</p> <p>Attendance at meetings will be an issue to the City by incurring costs for independent persons to attend meetings for 2 hours. Matter being considered by DLG.</p> <p>The <i>LG Amendment Bill 2024</i> proposes meetings be open. This requirement is not currently in effect.</p>
Reporting	A Council member to speak to the Council on reports being presented as the independent chairperson is precluded from this activity.	Clarifies a conveyance of reporting responsibilities from the Committee to Council.
Schedule 1	Audit committee responsibilities fully documented	Improved visibility.

### LEVEL OF SIGNIFICANCE

In accordance with Council policy CG-8 Significant Decision Making policy, this matter is considered to be of moderate significance in terms of Council's ability to perform its role and to comply with legislative reform.

### STATUTORY IMPLICATIONS

Section 7.1A of the *Local Government Act 1995* requires a local government to establish an audit committee of three or more persons. Functions of the audit committee are outlined in Regulation 16 of the *Local Government (Audit) Regulations 1996*.

The *Local Government Amendment Act 2024* has been assented however, numerous provisions related to the audit committee have been withheld and are awaiting proclamation by the Governor including the release of updated audit regulations.

**COUNCILLOR/OFFICER CONSULTATION**

No Councillor or Officer consultation is required.

**COMMUNITY CONSULTATION**

No community consultation is required.

**POLICY IMPLICATIONS**

There are no policy implications.

**FINANCIAL IMPLICATIONS**

The approval of the Terms of Reference will determine costs associated with travel and accommodation applicable to the independent committee members.

**STRATEGIC IMPLICATIONS**

This item is relevant to the Council's approved Council Plan 2025 - 2035. It is an enabling service within Governance & Policy.

**RISK MANAGEMENT CONSIDERATIONS**

The level of risk to the City is considered to be as follows:

Category	Risk level	Comments
Health	N/A	Nil
Financial	Moderate	It is important terms of reference have been determined to ensure effective governance and oversight and accountability.
Service Interruption	N/A	Nil
Environment	N/A	Nil
Reputation	N/A	Nil
Compliance	Low	Failure to have an audit committee properly established will breach statutory requirements.

**IMPACT ON CAPACITY**

There is no impact on capacity or resourcing to carry out the Officer's recommendation.

**RELEVANT PRECEDENTS**

The Committee adopted the previous terms of reference in February 2024.

**VOTING REQUIREMENTS**

Simple Majority.

**CONCLUSION**

The Terms of Reference has been reviewed to ensure the Committee's role, responsibilities, composition and key deliverables are current and meet statutory requirements. These Terms of Reference will be represented to Council for their consideration and approval.



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**COMMITTEE QUESTION-**

Do the Terms of Reference need to be as prescriptive as they currently are, specifically with section 10- duration and location of meetings.

**OFFICER RESPONSE-**

These have been included to ensure that new members or external people are entirely aware of the format of meetings. We can reword this section to indicate a minimum of four meetings per annum allowing flexibility to hold additional meetings when required.

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**COMMITTEE QUESTION-**

Under Clause 13, Ethical Behaviour, is this a double up from Clause 7, Code of Conduct?

**OFFICER RESPONSE-**

Clause 13 will be removed.

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**COMMITTEE QUESTION-**

There is a broad spectrum of activities listed under section one, is it right to say that the committee will review and advise the Council if the Council is complying with internal audit requirements, including conformance with the International Professional Practices and Standards?

**OFFICER RESPONSE-**

This reference to the IPPS will be removed.

---

**COMMITTEE QUESTION-**

Do our Terms of Reference sufficiently cover new requirements that have come under the new *Work Health and Safety Act*? We have no acknowledgment of WHS risks.

**OFFICER RESPONSE-**

Amendments shall be included to allow for updates as they relate to work health and safety legislation.

---

**COMMITTEE QUESTION-**

Can we add a section to the Terms of Reference that outlines the Committee's ability to have a closed conversation with auditors without administration present to allow for open discussion?

**OFFICER RESPONSE-**

The Committee can go into camera should it so decide to as part of its meeting procedures and this may include limiting staff attendance.

**6.2 AUDIT, RISK AND IMPROVEMENT COMMITTEE MEETING DATES 2026**

**File No:** FM.3

**Responsible Executive Officer:** Director Corporate Services

**Reporting Author:** Manager Governance

**Date of Report:** 11 November 2025

**Applicant/Proponent:** Nil

**Disclosure of Interest:** Nil

**Attachment(s):** Nil

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**PURPOSE**

For the Audit, Risk, and Improvement Committee to consider scheduled dates for Committee meetings for 2026.

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**OFFICER'S RECOMMENDATION**

That the Audit, Risk and Improvement Committee **APPROVE** the following scheduled meeting dates for 2026 with a start time of 3pm:

- Monday 16 February 2026,
- Monday 25 May 2026,
- Monday 17 August 2026, and
- Monday 23 November 2026.

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**COMMITTEE RECOMMENDATION / COMMITTEE RESOLUTION**

**MOVED** : D. Price  
**SECONDED** : Cr Harris  
**Res No** : ARIC20251125-06

That the Audit, Risk and Improvement Committee **NOTE** the following tentative meeting dates for 2026:

- Monday 16 February 2026,
- Monday 25 May 2026,
- Monday 17 August 2026, and
- Monday 23 November 2026.

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**CARRIED 5/0**

**FOR:** P. Draber, D. Price, Cr Swaffer, Cr Harris, Cr Simpson  
**AGAINST:** Nil

**REASON:** *Reason for change is to allow the Chair and Deputy Chair to identify their other competing commitments for these days and to enable flexibility to change meeting days or times to better suit meeting requirements.*

## BACKGROUND

The Audit, Risk and Improvement Committee is a committee of Council with Terms of Reference proposing quarterly meetings.

The Committee is expected to consider such matters as:

- governance and compliance with laws and regulations
- effective risk management
- internal and external audits
- information and communications technology governance
- financial management
- fraud control
- implementation of the Council Plan, delivery program and strategies
- service reviews, and
- collection of performance measurement data by the Council.

It is proposed as a guideline that the dates align with key approvals:

Date of Meeting	Reasons for Scheduling
Monday 16 February 2026	<b>Primary Purpose:</b> <ul style="list-style-type: none"> <li>• Approval of the 2025 Compliance Audit Return</li> </ul> <b>Updates on:</b> <ul style="list-style-type: none"> <li>• Governance reports</li> <li>• Risk Management reports</li> <li>• Internal Audit reports</li> <li>• External Audit recommendations</li> <li>• ICT reports</li> <li>• Financial Management reports</li> <li>• Council's Performance reporting</li> </ul>
Monday 25 May 2026	<b>Primary Purpose:</b> <ul style="list-style-type: none"> <li>• Interim Audit update for 2025/26 FY from the Office of the Auditor General</li> </ul> <b>Updates on:</b> <ul style="list-style-type: none"> <li>• Governance reports</li> <li>• Risk Management reports</li> <li>• Internal Audit reports</li> <li>• External Audit recommendations</li> <li>• ICT reports</li> <li>• Financial Management reports</li> <li>• Council's Performance reporting</li> </ul>
Monday 17 August 2026	<b>Updates on:</b> <ul style="list-style-type: none"> <li>• Governance reports</li> <li>• Risk Management reports</li> <li>• Internal Audit reports</li> <li>• External Audit recommendations</li> <li>• ICT reports</li> <li>• Financial Management reports</li> <li>• Council's Performance reporting</li> </ul>
Monday 23 November 2026	<b>Primary Purpose:</b>

Date of Meeting	Reasons for Scheduling
	<ul style="list-style-type: none"> <li>• Acceptance of the Annual Financial Report and Audit Opinion for 2025/26 FY from the Office of the Auditor General</li> </ul> <p>Updates on:</p> <ul style="list-style-type: none"> <li>• Governance reports</li> <li>• Risk Management reports</li> <li>• Internal Audit reports</li> <li>• External Audit recommendations</li> <li>• ICT reports</li> <li>• Financial Management reports</li> <li>• Council's Performance reporting</li> </ul>

### LEVEL OF SIGNIFICANCE

In accordance with Council Policy *CG-8 Significant Decision Making Policy*, this matter is considered to be of low significance in terms of the Committee's ability to perform its role and for Council to ensure that it is confident with the independent and additional scrutiny of the City's risk and financial affairs.

### STATUTORY IMPLICATIONS

Division 1A of Part 7 of the *Local Government Act* makes provision for local government audit committees.

### COUNCILLOR/OFFICER CONSULTATION

No Councillor or Officer consultation is required.

### COMMUNITY CONSULTATION

No community consultation is required.

### POLICY IMPLICATIONS

There are no policy implications.

### FINANCIAL IMPLICATIONS

Attendance by the independent chairperson and deputy chairperson will incur a cost of travel for no less than 50% of Committee meetings based on current legislation.

### STRATEGIC IMPLICATIONS

This item is not relevant to the City of Karratha's Council Plan 2025-2035.

### RISK MANAGEMENT CONSIDERATIONS

The level of risk to the City is considered to be as follows:

Category	Risk level	Comments
Health	N/A	Nil
Financial	N/A	Nil
Service Interruption	Low	City has varied checks to ensure that risks are managed and alternate methods exist to report issues back to Executive and Council.
Environment	N/A	Nil
Reputation	N/A	Nil
Compliance	Low	The Committee's terms of reference stipulate the expected frequency of meetings. The Committee is

Category	Risk level	Comments
		required to meet and discuss matters within its remit.

**IMPACT ON CAPACITY**

There is no impact on capacity or resourcing to carry out the Officer's recommendation.

**RELEVANT PRECEDENTS**

The Committee meets frequently each year and its frequency has been dependent upon available audit reports from internal and external parties and other matters of business. Capacity and resourcing has also been a limiting factor on the production of committee reports.

**VOTING REQUIREMENTS**

Simple Majority.

**CONCLUSION**

The Audit, Risk and Improvement Committee is scheduled to meet at least four times a year allowing additional meetings to be held in the event that an urgent matter needs to be considered.

### 6.3 GOVERNANCE UPDATES

**File No:** CM.131  
**Responsible Executive Officer:** Director Corporate Services  
**Reporting Author:** Manager Governance  
**Date of Report:** 13 November 2025  
**Disclosure of Interest:** Nil  
**Attachment(s):** Nil

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#### PURPOSE

To provide an update on Policy Reviews, Local Law Reviews, Local Government Act Reforms and the implementation of the Privacy and Responsible Information Sharing legislation.

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#### OFFICER'S RECOMMENDATION / COMMITTEE RESOLUTION

**MOVED** : **Cr Swaffer**  
**SECONDED** : **Cr Simpson**  
**Res No** : **ARIC20251125-07**

**That the Audit Risk and Improvement Committee RECEIVE the Governance Report Update.**

**CARRIED EN BLOC 5/0**

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**FOR:** P. Draber, D. Price, Cr Swaffer, Cr Harris, Cr Simpson  
**AGAINST:** Nil

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#### BACKGROUND

This report provides an overview of various Governance activities as they relate to local law reviews, policy development and review and legislative reforms and their implementation.

#### DISCUSSION

##### Local Law Reviews

The Council has 10 local laws currently approved of which five are due for review. A request for quotation is to be issued for a consultant to assist with the review of these local laws in 2026. Budget funds are being sourced to undertake this exercise.

Local laws to be reviewed:

- *Activities in Thoroughfares and Public Places and Trading Local Law (2017)*
- *Animals, Environment and Nuisance Local Law 2012\**
- *Cemeteries Local Law 2017*
- *Health Local Law 2012\**
- *Local Government Property Local Law 2003\**

*\* Items denoted with an asterisk are required to be finalised before 7 December 2026 unless a review was conducted within the last 8 years. Failure to complete these reviews will result in the local law being ruled invalid.*

### Policy Reviews

Council has 93 policies that it has approved of which 40 (44%) are outstanding and have exceeded their review dates:

- Projects & Infrastructure (3)
- Community Experience (5)
- Corporate Services (13)
- Development Services (19)

Governance is coordinating reviews of existing policies with responsible management teams to address the significant number that are overdue. A workplan to schedule completion of the policy reviews is being drafted prior to it being implemented across the organisation.

Figure 1: Status of all Council policies.

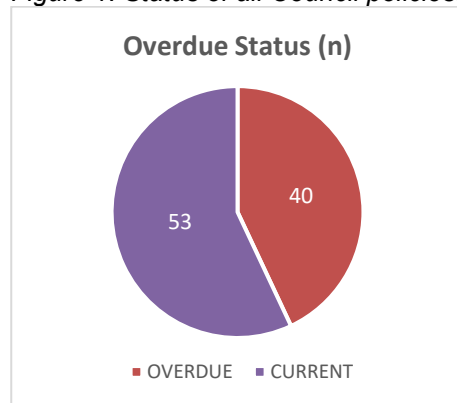
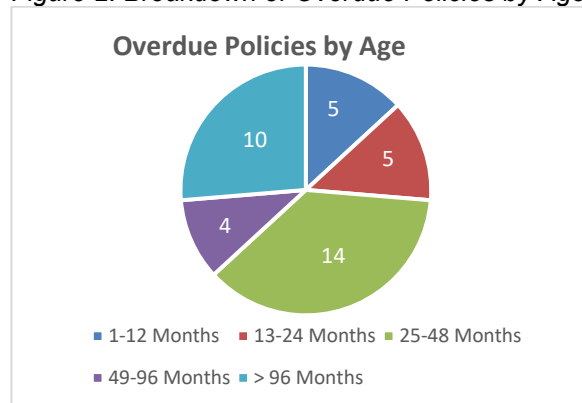


Figure 2: Breakdown of Overdue Policies by Age:



### Local Government Act Reforms

Since the last update to this Committee, no new reform issues have been introduced. As an extension of the Superannuation provisions, Tier 1 local governments must now offer superannuation payments to councillors who opt to receive this contribution following the recent 19 October 2025 Council Elections.

As previously reported, a series of reforms have been announced by the WA Government and have been either legislated, awaiting proclamation or drafting is still in progress.

Below is an indication of the status of reform measures announced by the WA Government:

Activity	Tranche	Legislation Status	Responsible Area	Effective Date	Implementation Status
<b>INTRODUCED</b>					
Special Electors Meetings (number of electors=300)	1	Commenced	Governance	19 May 2023	Completed
Compliance Exemptions	1	Commenced	Ministerial power under the Act	19 May 2023	Completed
Recording Votes in Minutes of Council Meetings	1	Commenced	Governance	1 July 2023	Completed
Restrictions on meeting participation due to gifts	1	Commenced	Governance	1 July 2023	Completed
Model Financial Statements	1	Commenced	Finance	1 July 2023	Completed

Activity	Tranche	Legislation Status	Responsible Area	Effective Date	Implementation Status
Classes of local government	1	Commenced	Governance	1 July 2023	In effect
Council Sizes	1	Commenced	Governance	1 July 2023	In effect
Changes to Wards	1	Commenced	Governance	1 July 2023	Completed
Parental Leave for Council Members	1	Commenced	Governance	1 July 2023	Completed
Credit Card Reporting	1	Commenced	Finance	1 Sep 2023	Completed
Council member training and development	1	Commenced	Governance	19 Oct 2023	Completed
Optional Preferential Voting	1	Commenced	Governance	21 Oct 2023	In effect
Backfilling Extraordinary Vacancies	1	Commenced	Governance	21 Oct 2023	In effect
Election of Mayors and Presidents	1	Commenced	Governance	21 Oct 2023	Completed
Payment to independent Committee Members	1	Commenced	Governance	1 Jan 2024	Completed
Owners and Occupiers Rolls	1	Commenced	Governance	1 Jan 2024	Completed
Caretaker Period	1	Commenced	Governance	1 July 2024	Completed
Good Practice Guidelines	2	Commenced	Governance	7 Dec 2024	Under review
Roles of councils, mayors, councillors and CEOs	2	Commenced	Governance	7 Dec 2024	Completed
Local Laws (15 year reviews)	2	Commenced	Governance	7 Dec 2024	Under review
Livestreaming and Recording of Council Meetings		Commenced	Governance / IT	1 Jan 2025	Completed
Council Member Superannuation (12% for Band 1 LGs after Oct 2025)	2	Voluntary Mandatory	Governance / Finance	1 Feb 2025 19 Oct 2025	Completed
<b>DRAFTING</b>					
Residential Crossover Approvals	1	Drafting	Development Services	TBA	
Alfresco Reforms	1	Drafting	Development Services	TBA	
CEO performance indicators	1	Drafting, Consultation ending 8 May 2025	Governance / People & Culture	TBA	



Activity	Tranche	Legislation Status	Responsible Area	Effective Date	Implementation Status
Shared CEOs and Senior Employees	2	Drafting	Governance	TBA	
Online registers: <ul style="list-style-type: none"> <li>Land leases and Licences</li> <li>Contracts for Goods and Services</li> <li>Grants and Sponsorship Agreements</li> <li>Developer Contributions</li> </ul>	1	Drafting	Governance	TBA	
Communication Agreements	1	Regulations and Ministerial Order being developed	Governance	Proposed 18 Oct 2025	
Standardised Meeting Procedures	1	Drafting	Governance	TBA	
Closed Meetings	2	Regulations being developed	Governance	TBA	
<b>DEVELOPMENT</b>					
Council Plan Regulations	1	In Development (IPR Group established by Minister)	Governance	TBA	
LG Inspector Regulations	2	In Development	Governance	TBA	
LG Monitor Panel Regulations (Panels to be appointed by the Inspector)	2	In Development	Governance	TBA	
Adjudicators	2	Regulations being developed	Governance	TBA	
Unreasonable Complaints	2	Regulations being developed	Governance	TBA	
Financial Regulations		In Development	Finance	TBA	
Rates and Revenue Policy	2	In Development	Finance	TBA	
Audit Risk and Improvement Committees	2	In Development	Governance	TBA	
Building Upgrade Finance	2	In Development	Finance	TBA	

Activity	Tranche	Legislation Status	Responsible Area	Effective Date	Implementation Status
Waste Charges on Rates Notices	2	In Development	Finance	TBA	
Community Engagement Charter	1	In Development	Governance / Engagement & Partnerships / Marketing	TBA	
Community Surveys	1	In Development	Engagement & Partnerships / Marketing	TBA	
	2	Regional Subsidiaries Structure	Governance	TBA	
Regional Subsidiaries – Employment Principles and LSL	2	In Development	People and Culture	TBA	
Regional Subsidiaries – Borrowing	2	In Development	Finance	TBA	
Regional Subsidiaries – Land Transactions and Trading Undertakings	2	In Development	Governance / Finance	TBA	

#### Privacy and Responsible Information Sharing Act 2024

The [PRIS Act](#) was passed by WA State Parliament in December 2024 and the bulk of the legislation is awaiting proclamation at a later date when there is development of appropriate regulations and sector wide support tools. It is anticipated that this legislation will take effect on 1 July 2026.

From 1 July 2026, the PRIS Act will:

- Set clear principles and standards for how government agencies collect, use, store, and share your personal information.
- Allow agencies to share information only if they follow clear principles for risk, decision-making, and transparency.
- Ensure aboriginal people are involved when sharing data that affects aboriginal people and communities.

Quotations are being finalised, subject to budget, to engage a consultant to assist with the implementation of the new requirements into the City. Pricing is significantly higher than forecast.

#### **LEVEL OF SIGNIFICANCE**

In accordance with Council policy CG-8 Significant Decision Making policy, this matter is considered to be of moderate significance in terms of Council's ability to perform its role.

#### **STATUTORY IMPLICATIONS**

The *Local Government Act 1995* requires local laws to be reviewed in accordance with section 3.16 every 15 years (effective from 7 December 2024). Local laws that were overdue

prior to 7 December 2024 had a grace period of two years to be reviewed. In the event this was not complied with, the overdue local laws will be deemed to have expired.

The Council also has an obligation to ensure that its policies are reviewed regularly to ensure that they remain relevant.

Legislative reforms to the Local Government Act and the PRIS Act are pending announcements by the Department of Local Government, Industry Regulation and Safety and the Department of Premier and Cabinet respectively.

#### **COUNCILLOR/OFFICER CONSULTATION**

Officers impacted by policies and local laws are actively working towards addressing the overdue documents.

#### **COMMUNITY CONSULTATION**

No community consultation is required.

#### **POLICY IMPLICATIONS**

Amendments to policies are updated on the City's website and official City documentation.

#### **FINANCIAL IMPLICATIONS**

There will be costs associated with the engagement of consultants to review the City's local laws and implementation of the PRIS legislation.

#### **STRATEGIC IMPLICATIONS**

Finance, Governance and Policy are enabling services towards the delivery of the Council Plan 2025-2035. It supports the delivery of the Plan's goals and ensures that we fulfill our statutory obligations.

#### **RISK MANAGEMENT CONSIDERATIONS**

The level of risk to the City is considered to be as follows:

Category	Risk level	Comments
Health	N/A	Nil
Financial	N/A	Nil
Service Interruption	Moderate	Failure to maintain corporate documentation that aligns with legislation or Council policy may impact service delivery.
Environment	N/A	Nil
Reputation	Moderate	There is an obligation on the City to ensure that its decision making is based on law or implemented policies approved by Council. Failure to comply can compromise the City's reputation.
Compliance	Moderate	It is important that documentation, policies and procedures are current to ensure that the City does not breach legislation or the advice provided does not contravene policies approved by Council. Failure to review local laws within stipulated time frames will impact the legitimacy of applicable law enforcement within the City.

#### **IMPACT ON CAPACITY**

Local laws and implementation of PRIS legislation will require third party support. Inhouse capacity, available time frames and the technical and complex legislation requires external involvement.

**RELEVANT PRECEDENTS**

Policy reviews, local law reviews and legislative reviews are undertaken in accordance with review dates or within implementation periods.

**VOTING REQUIREMENTS**

Simple Majority.

**CONCLUSION**

The Governance Report Update indicates a number of areas for improvement that has been a recent focus in the areas of policy reviews. Limited capacity within the team has necessitated the engagement of third parties to assist with these time sensitive works.

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**COMMITTEE QUESTION:**

Does the Council have a set schedule of how policies are reviewed, specifically review frequency?

**OFFICER RESPONSE:**

At present there is a mix of two, three and four year reviews based on the nature of the policy and its perceived need for regular review. The Director Corporate Services is currently drafting a procedure on policy review and development which will outline categories and review timeframes.

## 6.4 REGISTER OF AUDIT RECOMMENDATIONS

**File No:** FM.1  
**Responsible Executive Officer:** Director Corporate Services  
**Reporting Author:** Manager Governance  
**Date of Report:** 13 November 2025  
**Disclosure of Interest:** Nil  
**Attachment(s):** Nil

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### PURPOSE

To provide a status report update on all outstanding recommendations that have resulted from external and internal audit activity.

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### OFFICER'S RECOMMENDATION / COMMITTEE RESOLUTION

**MOVED :** Cr Swaffer  
**SECONDED :** Cr Simpson  
**Res No :** ARIC20251125-08

**That the Audit, Risk and Improvement Committee RECEIVE the Audit Recommendations Update.**

**CARRIED EN BLOC 5/0**

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**FOR:** P. Draber, D. Price, Cr Swaffer, Cr Harris, Cr Simpson.  
**AGAINST:** Nil

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### BACKGROUND

This report is intended to provide a list of outstanding findings or recommendations raised through internal and external audits. At the last Committee meeting the following was resolved:

#### COMMITTEE RESOLUTION

**MOVED :** D. Price  
**SECONDED :** Cr Simpson  
**Res No :** AORC20250811-11

That the Audit and Organisational Risk Committee:

1. RECEIVE the Audit Recommendations update,
2. REQUEST Administration to review existing recommendations, risk rate and age all recommendations rated as 'Medium' or above,
3. REQUEST Administration to create an exception report for all recommendations not being addressed within 12 months, and
4. REQUEST Administration to create a process for how audit recommendations are reported to the Committee.

**CARRIED 5/0**

The Committee was interested to identify what recommendations had a medium or high risk rating and reasons as to why they have not been resolved.

## **DISCUSSION**

The process adopted by Governance is that:

1. Findings and recommendations that have been determined through an internal or external audit will be reported to the next convened Committee meeting.
2. Unresolved matters at the time of reporting will be listed on the attached Schedule that will be represented to the Committee providing updates on its progress until the matter is resolved.
3. All items will have a responsible person and a time frame to enable the matter to be closed out.
4. Items to be closed out will indicate what action has been undertaken to resolve the matter and that it is complete.
5. All responses shall be reviewed by the appropriate manager and Executive Officer.

The confidential attachment highlights recommendations that have been identified through past audits that are being progressed by the City's administration and incorporates the above Committee requests.

Four recommendations have been closed out and three recommendations that have a moderate risk rating remain current. Two anticipate to be closed out by June 2026 and the third by June 2027. There are no recommendations considered significant that require Ministerial consideration.

## **LEVEL OF SIGNIFICANCE**

In accordance with Council policy CG-8 Significant Decision Making policy, this matter is considered to be of moderate significance in terms of Council's ability to perform its role and in ensuring it has sound systems and processes in place.

## **STATUTORY IMPLICATIONS**

The City is required to ensure that it fulfills its obligations in accordance with Part 7 of the Local Government Act 1995.

## **COUNCILLOR/OFFICER CONSULTATION**

Consultation has taken place between affected teams to ensure actions are taken to address audit findings.

## **COMMUNITY CONSULTATION**

No community consultation is required.

## **POLICY IMPLICATIONS**

There are no policy implications.

## **FINANCIAL IMPLICATIONS**

The City will be engaging a consultant to review works carried out by the City in reviewing the Business Continuity Plan and undertaking an exercise in early 2026. Other works intend to be resourced internally through set project activities.

## **STRATEGIC IMPLICATIONS**

Finance, Governance and Policy are enabling services towards the delivery of the Council Plan 2025-2035. It supports the delivery of the Plan's goals and ensures that we fulfill our statutory obligations.

## **RISK MANAGEMENT CONSIDERATIONS**

The level of risk to the City is considered to be as follows:

Category	Risk level	Comments
Health	N/A	Nil
Financial	Low	Audit findings as they relate to financial operations and procurement pose a risk towards and should provide assurance that the community is receiving best value for money.
Service Interruption	N/A	Nil
Environment	N/A	Nil
Reputation	Low	Failure to address critical audit recommendations can have an impact on the City's reputation.
Compliance	Low	Failure to comply with audit recommendations in a timely manner can impact future audit reporting or notification to the OAG or Department of Local Government.

### **IMPACT ON CAPACITY**

The City's capacity to address outstanding recommendations is being supplemented by engaging consultancy services where required.

### **RELEVANT PRECEDENTS**

Audit recommendations are tabled and reported on at each Committee meeting.

### **VOTING REQUIREMENTS**

Simple Majority.

### **CONCLUSION**

Significant effort was made to ensure that outstanding recommendations were closed out to reduced aged findings. All items current are noted as moderate risk items.

## 7 RISK MANAGEMENT

### 7.1 RISK MANAGEMENT REPORT

<b>File No:</b>	CM.131
<b>Responsible Executive Officer:</b>	Director Corporate Services
<b>Reporting Author:</b>	Governance Coordinator – Procurement & Compliance
<b>Date of Report:</b>	12 November 2025
<b>Disclosure of Interest:</b>	Nil
<b>Attachment(s):</b>	Nil

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#### PURPOSE

To provide an update on the status of risk management and business continuity initiatives.

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#### OFFICER'S RECOMMENDATION / COMMITTEE RESOLUTION

**MOVED** : Cr Swaffer  
**SECONDED** : Cr Simpson  
**Res No** : AORC20251125-09

**That the Audit, Risk and Improvement Committee RECEIVE the Risk Management Report Update.**

**CARRIED EN BLOC 5/0**

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**FOR:** P. Draber, D. Price, Cr Swaffer, Cr Harris, Cr Simpson.  
**AGAINST:** Nil

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#### BACKGROUND

As part of the City's commitment to continuous improvement and robust governance, a major review of the City's risk management and audit framework is being undertaken. This major review aims to enhance the City's capability to identify, assess, manage and monitor organisational risks.

#### DISCUSSION

Below is a status update of key initiatives of the risk management and audit framework projects.

##### 1. Finalise Business Continuity Plan (BCP) (2025)

###### **Objective:**

To review and implement the draft Business Continuity Plan ensuring it is current, risk-informed and capable of supporting the City's resilience in the face of disruptions.

###### **Key Activities:**

- Review, finalise and implement draft BCP prepared by a consultant in 2023
- Stakeholder engagement
- Testing and simulation of business continuity procedures
- Updating of recovery strategies, dependencies, and resource requirements
- Aligned with risk management framework



**Progress Update:**

The City has recently engaged a consultant to review, validate, and update the existing draft BCP. This process will include a comprehensive assessment of the plan's structure, content, and alignment with best practice principles and relevant standards. The outcomes and data gathered from the City's 2025 internal workshops will be integrated into the revised draft to ensure that all critical business functions, key risks, and recovery priorities are accurately captured and reflected.

The final draft BCP is expected to be presented at the next Committee meeting, with completion anticipated within 6–8 weeks. As part of this engagement, the consultant will also develop an implementation plan outlining recommendations for ongoing maintenance, periodic testing, and continuous improvement to ensure the plan remains effective and current.

In early 2026, the consultant will facilitate a testing exercise to validate the effectiveness and practicality of the finalised BCP. This exercise will test the City's readiness and identify any areas requiring enhancement.

**2. Risk Management Framework Project (2025-2026)****Objective:**

To review and update the existing risk management framework to ensure it reflects current best practices, aligns with ISO 31000:2018, and meets the City's evolving operational and strategic needs.

**Key Activities:**

- Gap analysis of the current framework
- Stakeholder engagement
- Elected Member workshops
- Separate Strategic Risk Register and Operational Risk Register
- Integration of risk appetite and tolerance thresholds
- Consideration of a software solution
- Review Business Continuity Plan to align with revised risk management framework
- Updated policies, procedures, and tools

**Progress Update:**

Moore Australia has been engaged to develop a final Strategic Risk Register. As part of this engagement, the consultant has completed a detailed desktop analysis of the existing draft Strategic Risk Register, Council Plan, and Long-Term Financial Plan (LTFP). This review assessed the alignment between the City's strategic objectives, financial planning, and risk management framework, identifying gaps and opportunities for improvement to strengthen the City's overall approach to strategic risk management.

Moore Australia facilitated a three-hour Strategic Risk Workshop with the City's Executive Leadership Team and Councillors on 17 November 2025. The workshop focussed on validating and prioritising existing strategic risks, identifying new or emerging risks and promoting a consistent approach to strategic risk identification and ownership.

Insights from the desktop analysis and workshop will inform the development of a final Strategic Risk Register. The revised register will reflect both current and emerging strategic risks, ensure alignment with the Council Plan and LTFP, and include clear risk descriptions, ratings, and ownership details.

The consultant will also provide an implementation plan containing recommendations for ongoing maintenance, periodic review, and continuous improvement to support the City's long-term strategic risk governance.

### **3. Audit Framework Project (2025-2026)**

#### **Objective:**

To ensure that the Audit Framework is aligned with the Risk Management Framework and supports effective oversight and assurance activities.

#### **Key Activities:**

- Review of audit methodology and planning processes
- Alignment with risk-based auditing principles
- Clarification of roles and responsibilities
- Enhancing audit reporting and follow-up procedures
- Updated procedures, and tools

#### **Progress Update:**

The Audit Framework Project has encountered delays following the extended vacancy in the Audit and Risk position within the Governance team.

In response, the City has reviewed and readvertised the role to ensure stronger alignment with its long-term audit and risk management objectives, with the position to focus on governance oversight and coordination rather than the direct delivery of internal audits. Under this new approach, the City will engage external consultants to deliver the internal audit function, providing greater independence, access to specialist expertise, and improved alignment with the City's evolving audit and risk governance framework.

#### **LEVEL OF SIGNIFICANCE**

In accordance with Council policy CG-8 Significant Decision Making policy, this matter is considered to be of moderate significance in terms of Council's ability to perform its role.

#### **STATUTORY IMPLICATIONS**

Regulation 17 of the *Local Government (Audit) Regulations 1996* requires the CEO to review the appropriateness and effectiveness of local government systems and procedures in regard to risk management, internal controls and legislative compliance.

#### **COUNCILLOR/OFFICER CONSULTATION**

No Councillor or Officer consultation is required.

#### **COMMUNITY CONSULTATION**

No community consultation is required.

#### **POLICY IMPLICATIONS**

CG01 Risk Management Policy

#### **FINANCIAL IMPLICATIONS**

Allocation of funds has been set aside in the current budget for strategic risk management workshops and a review of the City's risk framework.

#### **STRATEGIC IMPLICATIONS**

Risk management is an enabling service in the delivery of the Council Plan 2025-2035. It supports the delivery of the Plan's goals and ensures that we fulfill our statutory obligations.

**RISK MANAGEMENT CONSIDERATIONS**

The level of risk to the City is considered to be as follows:

Category	Risk level	Comments
Health	N/A	Nil
Financial	Moderate	Effective risk management supports strong financial outcomes by preventing unnecessary expenditure, improving resource allocation and enabling more informed decision-making.
Service Interruption	Moderate	Strong risk management reduces the likelihood and severity of service interruptions by identifying vulnerabilities in advance, implementing controls and ensuring continuity arrangements are in place to maintain service delivery.
Environment	N/A	Nil
Reputation	Low	Failure to identify and manage risks in a timely manner may allow issues to escalate, resulting in reduced public trust in the administration of the City's operations.
Compliance	Moderate	Effective identification and management of risks supports adherence to legislative and regulatory requirements, helping to safeguard the City from legal, financial, and reputational impacts.

**IMPACT ON CAPACITY**

There is no impact on capacity or resourcing to carry out the Officer's recommendation.

**RELEVANT PRECEDENTS**

Risk Register reviews are periodically reported to the Committee.

**VOTING REQUIREMENTS**

Simple Majority.

**CONCLUSION**

The City continues to advance the Risk Management and Audit Frameworks, with recent consultant engagements and updated governance arrangements strengthening organisational risk oversight.

## 8 INTERNAL AUDIT

### 8.1 INTERNAL AUDIT PROGRAM

<b>File No:</b>	FM.1 / CM.131
<b>Responsible Executive Officer:</b>	Director Corporate Services
<b>Reporting Author:</b>	Governance Coordinator – Procurement & Compliance
<b>Date of Report:</b>	12 November 2025
<b>Disclosure of Interest:</b>	Nil
<b>Attachment(s):</b>	Nil

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#### PURPOSE

To provide an update on the status of the internal audit program.

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#### OFFICER'S RECOMMENDATION / COMMITTEE RESOLUTION

**MOVED** : Cr Swaffer  
**SECONDED** : Cr Simpson  
**Res No** : AORC20251125-10

**That the Audit, Risk and Improvement Committee RECEIVE the Internal Audit Program Update.**

**CARRIED EN BLOC 5/0**

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**FOR:** P. Draber, D. Price, Cr Swaffer, Cr Harris, Cr Simpson  
**AGAINST:** Nil

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#### BACKGROUND

At the Audit and Organisational Risk Committee (Committee) meeting held on 11 August 2025 a two-year audit program was presented by officers for the Committees endorsement. The Committee amended the resolution as follows.

**AORC20250811-06:** *"That the Audit and Organisational Risk Committee PROVIDE in principle support to undertake 5 internal audits over the next two years"*

Reason for the Alternate Resolution:

*"The Officer's Recommendation was not supported as the Committee did not wish to lock in specific internal audits until strategic risks were known and then prioritised."*

#### DISCUSSION

Moore Australia has been engaged to develop a final Strategic Risk Register and facilitated a three-hour Strategic Risk Workshop with the City's Executive Leadership Team and Councillors on 17 November 2025.

Following the workshop the consultant will now produce a final draft Strategic Risk Register that reflects both current and emerging strategic risks and is aligned with the Council Plan and Long-Term Financial Plan.

It is anticipated this work will be completed by mid-December 2025 and will be presented to the Committee at its first meeting in 2026 for endorsement. At this meeting, officers will also propose an internal audit program that aligns with the Strategic Risk Register.

Whilst the Strategic Risk Register project is underway the City will undertake a procurement process to engage a consultant to complete a Regulation 17 Review and Financial Management Services Review. In accordance with the relevant legislation, each of these reviews must be conducted at least once in every three financial years. The results of these reviews are to be presented to the Committee and Council.

The Regulation 17 Review was last completed in June 2023, and the Financial Management Services Review was last completed in August 2023, with both reviews falling due in 2026.

### **Regulation 17 Review**

Regulation 17 of the *Local Government (Audit) Regulations 1996* requires the review of the appropriateness and effectiveness of a local government's systems and procedures relating to risk management, internal controls and legislative compliance.

The most recent Regulation 17 Review was reported to the Committee on 19 June 2023 under resolution AOR124.

### **Financial Management Services Review**

In accordance with regulation 5(2) *Local Government (Financial Management) Regulations 1996* local governments must review the effectiveness of its financial management systems and procedures.

The most recent Financial Management Services Review, dated 03 August 2023, was reported to the Committee on 11 September 2023 under resolution AOR126.

### **LEVEL OF SIGNIFICANCE**

In accordance with Council Policy CG-8 Significant Decision-Making Policy, this matter is considered to be of moderate significance in terms of Council's ability to perform its role.

### **STATUTORY IMPLICATIONS**

Regulation 17 of the *Local Government (Audit) Regulations 1996* requires the CEO to review the appropriateness and effectiveness of local government systems and procedures in regard to risk management, internal controls and legislative compliance.

### **COUNCILLOR/OFFICER CONSULTATION**

No Councillor or Officer consultation is required.

### **COMMUNITY CONSULTATION**

No community consultation is required.

### **POLICY IMPLICATIONS**

There are no policy implications.

### **FINANCIAL IMPLICATIONS**

Allocation of funds has been set aside in the current budget for internal audit works.

### **STRATEGIC IMPLICATIONS**

The conduct of audits is an enabling service in the delivery of the Council Plan 2025-2035. It supports the delivery of the Plan's goals and ensures that we fulfill our statutory obligations.

### **RISK MANAGEMENT CONSIDERATIONS**

The level of risk to the City is considered to be as follows:

Category	Risk level	Comments
Health	N/A	Nil
Financial	Moderate	Audit activities enhance financial health by strengthening internal controls, identifying inefficiencies early, and supporting compliant and effective use of the City's financial resources.
Service Interruption	Low	An internal audit program improves service continuity by identifying weaknesses in processes, systems, and controls before they lead to failures, allowing the organisation to implement corrective actions that reduce the likelihood and duration of service interruptions.
Environment	N/A	Nil
Reputation	Low	Undertaking internal audits adds a level of assurance that the City's systems and procedures are appropriately followed in accordance with approved policies and practices.
Compliance	Moderate	A regular audit program strengthens statutory compliance by identifying gaps early and reducing the risk of non-compliance.

**IMPACT ON CAPACITY**

There is no impact on capacity or resourcing to carry out the Officer's recommendation.

**RELEVANT PRECEDENTS**

A three-year audit program was endorsed by the Audit and Organisational Risk Committee in August 2016, October 2020 and June 2023.

**VOTING REQUIREMENTS**

Simple Majority.

**CONCLUSION**

A formal internal audit program was considered by this Committee in August 2025 and a reprioritisation and review of the program will be undertaken at the Committee's next meeting following consideration of outcomes from the City's Strategic Risk Review workshop scheduled for 17 November 2025.

## 9 ITEMS FOR INFORMATION ONLY

### 9.1 OAG REGIONAL ROADS AUDIT REPORT

<b>File No:</b>	FM.1
<b>Responsible Executive Officer:</b>	Director Corporate Services
<b>Reporting Author:</b>	Manager Governance
<b>Date of Report:</b>	13 November 2025
<b>Disclosure of Interest:</b>	Nil
<b>Attachment(s):</b>	Nil

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#### PURPOSE

For the Committee to consider the findings of an independent report released by the Office of the Auditor General in November 2025 on [Maintaining Regional Local Roads in WA](#).

#### BACKGROUND

This was a performance audit conducted by the OAG to assess if regional local government entities can effectively manage the maintenance of their local roads.

WA has over 113,000 kms of road network across the state connecting an area of 2.5 million square kms. Regional roads equate to about 90% of the state's road network and managed by 107 local governments of various sizes.

What was evident from the audit is that there was a lack of good quality data that captured the overall condition of regional local roads, size and cost of maintenance backlog. Consistency in the quality of the roads ranged throughout the state. Heavy haulage, weather events are factors that affect conditional data.

Five local governments were part of the performance audit: City of Greater Geraldton, Shire of Derby-West Kimberley, Shire of Dumbleyung, Shire of East Pilbara and Shire of Manjimup.

What has been noted is a widening gap between the amount needed to preserve local road assets in their current condition and actual expenditure. It has also been noted that road maintenance by local governments has not kept up with costs. What the audit failed to identify is the backlog maintenance required and quantify how much it will cost to fix.

The asset preservation model used to allocate Financial Assistance Grants and other grant funding has not been reviewed since 1990 and does not fully reflect the needs of regional LG entities. Funding arrangements need to be reviewed to ensure they respond to the diversity of need and capability in regional LG entities, support more consistent road maintenance and better roads for road users.

#### Findings:

- There is no consolidated picture of the overall condition of the local road network;
- Differences in capability and capacity means not all LG entities are effectively maintaining their roads; and
- Outdated and rigid funding arrangements can be barriers to regional LG entities accessing adequate road maintenance funding.

### Recommendations from the performance audit:

- LG entities should ensure road condition data is up to date and used in up-to-date asset management plans and work programs to enhance preventative road maintenance. Valuations performed by local governments to meet financial reporting requirements provide a good opportunity for LG entities to obtain enhanced baseline data.
- LG entities should promote transparency and understanding of maintenance prioritisation decisions with stakeholders, including ratepayers by:
  - a. determining and reporting the road condition and maintenance backlog and, as part of moving to better practice, work towards defining service level standards for road maintenance in engagement with local communities; and
  - b. reporting on delivery of road maintenance against agreed service levels.
- To help LG entities in maintaining local roads, collaboration between LG entities, Main Roads, LGIRS and WALGA should be improved. These entities should:
  - a. use local road condition data to inform both regional and statewide road strategies to:
    - i) support evidence-based decision making to improve road asset management and ensure sustainable infrastructure outcomes for regional road users;
    - ii) review funding via the Local Government Agreement and use of the Asset Preservation Model to ensure it remains fit for purpose and supports sustainable road asset management; and
    - iii) include mechanisms to measure progress against goals set for local roads.

### City of Karratha Road Network Management

The City maintains systematic and up-to-date condition data for our local road network, which is detailed in the GIS mapping system (RACAS), refer to Figure 1. This information is accessible to both the Engineering and Operations teams.



Figure 1: City of Karratha Local Road Network and Condition Assessment & Rating



The City undertakes road inspections using several methods:

- Annual Visual Inspections  
Visual inspections are conducted on all roads to verify the condition of those scheduled for resealing or overlay, as outlined in the Masterplan.
- Digital Road Surveys  
These surveys are completed every five (5) years on both sealed and unsealed roads, or following significant weather events, to assess conditions and update the Masterplan as required.
- Five-Year Revaluation  
The revaluation is completed by an external party to ensure accurate asset valuation.
- Reactive Inspections  
These inspections are triggered by community feedback or reports from internal stakeholders.

This approach is consistent with the City of Karratha's Asset Management Plan for Roads and Level of Service.

The most recent condition assessment survey was completed in March 2025, covering a total of 631.93 km of roads. These comprise of 384 km of unsealed roads and 247.93 km of sealed roads.

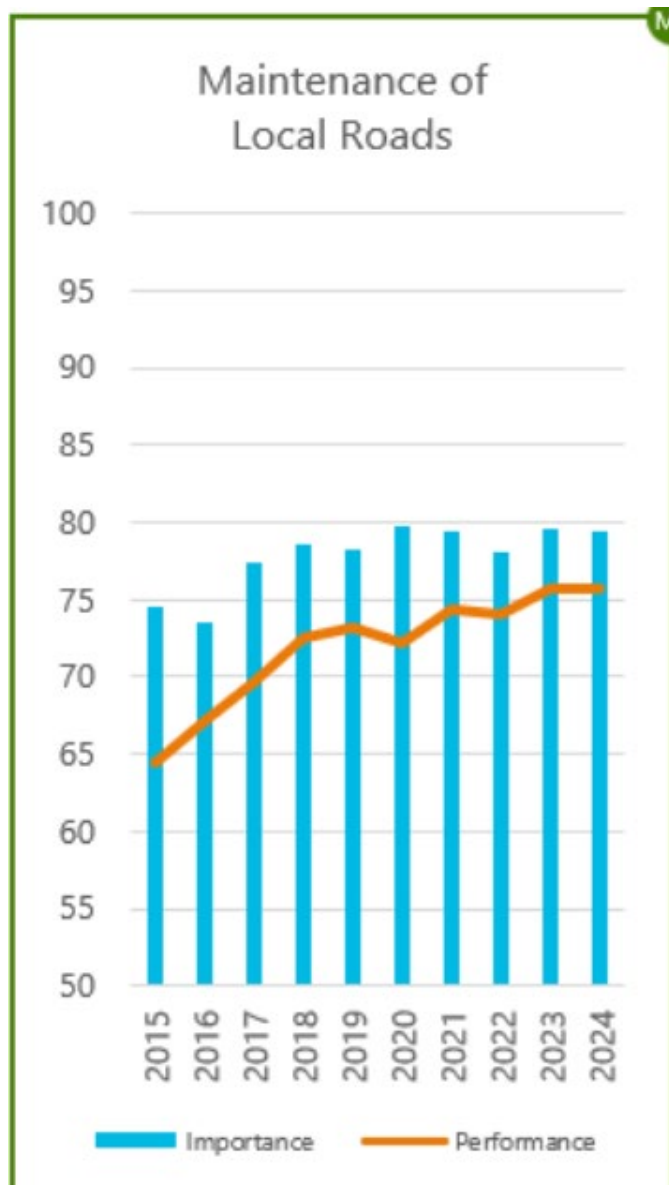
These strategies enable the City to plan proactively for maintenance, preservation, rehabilitation, and renewal works. The team has recently updated the City's draft Long-Term Financial Plan (LTFP) to outline projects scheduled over the next 10 years. Key projects include, but are not limited to:

- Bathgate Road Upgrade
- De Witt Rd/Dampier Rd Intersection Pavement Reconstruction
- Nielsen Place Reconstruction
- Norman Road Reconstruction

Additionally, annual Road Project Plans for *Roads 2040* are submitted to Main Roads WA and aligned with the LTFP. Inspection strategies also support the identification of appropriate funding sources for each project, including:

- Regional Road Group (RRG) funding
- Black Spot Program
- Roads to Recovery (R2R)
- Safer Local Access Roads and Infrastructure Program (SLRI)

As part of the Annual Community Survey the City seeks feedback on the performance of its services and facilities versus importance level determined by the community. The target is to minimise the service gap where Performance equates or exceeds importance. Local Roads is one service that is measured. Whilst the community has stated that the importance has increased over the past 10 years, the perceived performance has increased considerably as reflected in the following summary table.



Should the AIRC require more detailed information a report can be generated for future meetings.

## CONCLUSION

For information only.

## 9.2 KEY PERFORMANCE MEASURES FOR 2024/25

<b>File No:</b>	CM.89
<b>Responsible Executive Officer:</b>	Director Corporate Services
<b>Reporting Author:</b>	Manager Governance
<b>Date of Report:</b>	13 November 2025
<b>Disclosure of Interest:</b>	Nil
<b>Attachment(s):</b>	Nil

### PURPOSE

For the Committee to be informed on the Council's performance against its Strategic Community Plan and Operational Plan for the 2024/25 reporting period.

### BACKGROUND

For the 2024/25 reporting period, 98 performance measures were being tracked to assess how the Council performed in meeting community priorities as determined through the former 2020-2030 Strategic Community Plan. Four strategic themes were identified in the Strategic Community Plan that delivered 148 Programs and Services and 284 Projects and Actions.

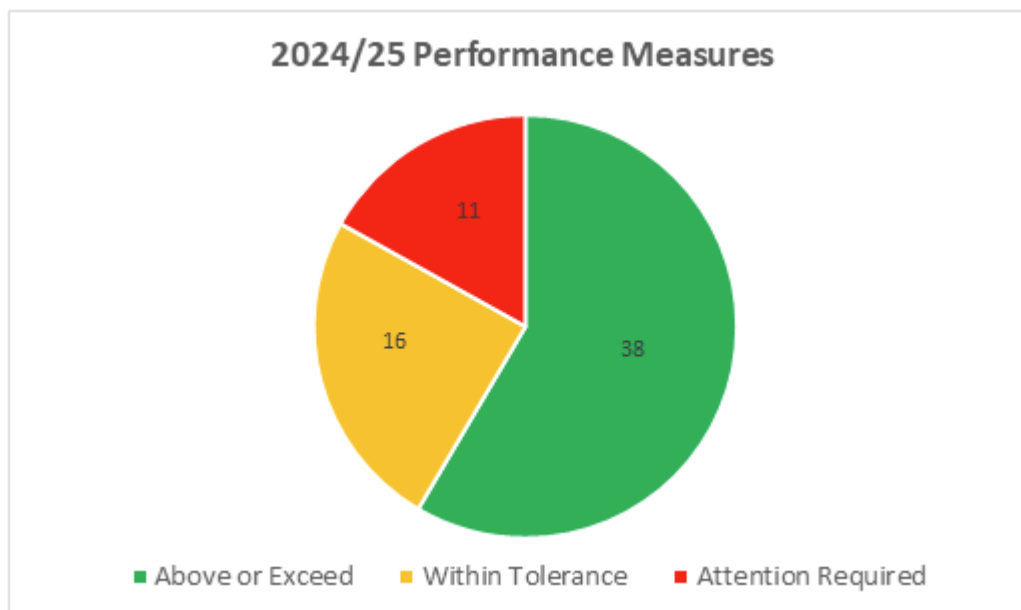
Strategic Theme	Programs & Services	Projects & Actions	Performance Measures
Our Community	50	140	37
Our Economy	20	45	16
Our Natural & Built Environment	38	34	13
Our Leadership	40	65	32
<b>TOTAL</b>	<b>148</b>	<b>284</b>	<b>98</b>

The Integrated Strategic Planning Framework adopted by local governments across WA require quarterly reporting to track performance. A traffic light system has been utilised to represent the following benchmarks:

●	Attention Required	Below the lower tolerance applied to the KPI
●	Within Tolerance	Between the target and lower tolerance applied to the KPI
●	On Target	Either on or above target

For the 2024/25 period, only 65 of the 98 performance measures were able to be measured. 32 of these measures were not able to be assessed related to a delay in the annual community survey being postponed to November 2025. One measure was withdrawn earlier in the year by Council as it was no longer appropriate.

Of the 65 measures that could be assessed, 58% exceeded target, 25% were within acceptable tolerances and 17% required attention.



A distribution of the measures are noted below as per the Strategic Theme:

Strategic Theme	On Target	Within Tolerance	Attention Required
Our Community	9	3	5
Our Economy	9	4	-
Our Natural and Built Environment	6	1	-
Our Leadership	14	8	6
	38	16	11

The 5 Best Performances:

- Attendance at recreational facilities were up 4% on targets resulting in 645,028 patrons attending major facilities predominantly for fitness programs and indoor court sports. Aquatic admissions down due to cooler weather. The previous year recorded 636,182 patrons attending wet and dry facilities.
- Target 579,000 patrons, the Karratha Airport amassed 681,668 regular passenger transport travellers through the local terminal. This was driven by increased airline capacity and increased demand for major infrastructure projects.
- Social media engagements exceeded the target of 200,000 likes, shares and comments by reaching 331,319 interactions. Most attention was on Balmoral Road opening, tropical cyclone Zelia, extraordinary elections, housing development and major capital project updates.
- 6 projects were completed under the Environmental Sustainability Strategy that included carbon accounting for facilities, utility monitoring software and Gold Waterwise Council status.
- Occupational Health and Safety Inspections were up on the indicative target of 165 inspections per annum with an annual result of 181 inspections. The previous year only 51 inspections were achieved. A greater proactive effort was made this year to increase safety in the workplace.

5 Areas for Improvement:

- Target 90%, however only 76% of renewal projects were delivered to agreed timelines and budgets. These were affected through contractor availability, delays with supply of materials, design and procurement work. The previous year 93% of projects were delivered in a timely and cost effective manner.

- Target 100%, however only 75.3% of swimming pool inspections were conducted within statutory timeframes due to staff under resourcing. Recruitment underway to support workloads.
- Target 0, however 19 workers compensation claims were dealt with in the period. 6 were new and 8 are long term claims. Only 5 claims were dealt with in the previous year.
- Target 100%, however 90.4% of planning applications were able to be dealt within the statutory timeframes. Low staffing caused backlogs mid year which resulted in a lower outcome. Last year 99.3% of DAs were able to be completed in a timely manner.
- Target 100%, however 94.9% compliance was achieved with the self assessed Compliance Audit Return for 2024. Instances of improvement were noted in tender processes, disclosures of interest, gifts and publications on our website of the district map and councillor training not current.

## CONCLUSION

For information only.

## COMMITTEE QUESTION:

This Report talks about the strategic themes and 11 measures were identified as attention required, what are these?

## OFFICER RESPONSE:

The following table are those items that required additional attention and were reported to Council at its Ordinary Council Meeting on 27 October 2025.

Measure	UoM	Annual Target	Annual Actual	Annual Last Year	Comments
1.a.1.5.a Percentage of renewal projects delivered to agreed timeline and budget	%	90	76	93	25 Renewal Projects completed within required time frames. Results affected by contractor availability, delays with material availability, and delays in design and procurement work.
1.a.1.7.g Maintain or improve attendances at the Karratha Indoor Play Centre	#	31,321	27,093	31,333	Results lower for the year with Centre closed for equipment maintenance and inspections. A break in also disrupted services. With the onset of tropical cyclones, the centre was closed and a number of party bookings were cancelled.
1.b.4.3.a Swimming pool inspections are undertaken within legislated time frames.	%	100%	75.3%	N/A	Target not achieved due to resourcing. Recruitment underway for an additional resource to assist and it is anticipated that the team will have caught up on

Measure	UoM	Annual Target	Annual Actual	Annual Last Year	Comments
					inspections by the end of the calendar year.
1.c.1.3.f Maintain or improve the number of attendances to Children's programs and events at the City Libraries	#	10,000	8,976	9,392	Program attendance was slower across the year and improved in the second half of the year. Changes to school holiday programs impacted numbers.
1.c.1.4.b Increase youth patronage to The Base and Youth Shed	%	5	-45.9	43	A change in collection of statistics has contributed in the downturn, data going forward will now be more accurate. Youth Services will continue to work with comms to increase public awareness of the youth services and the programs/events that they are providing. Youth services will continue to share programming face to face where possible and increase their networks and stakeholders engagement.
4.a.2.3.c Number of workers compensation claims per annum	#	0	19	5	There are 19 total number of claims, 6 of which are new and a further 8 are ongoing long term claims.
4.b.3.3.a Percentage of staff (Fulltime and Parttime) undertaking compliance, procurement and Process Manager inductions or refresher training.	%	20	13.4	12.2	269 employees attended training sessions. Inductions are part of probationary review processes. Resourcing within key delivery teams, staff turnover amongst new employees or deferment of training is impacting results.
4.d.1.1.a Increase the number of partnerships with Indigenous businesses and organisations	#	3	0	3	Relationships are being built but financial partnerships have not been entered into.
4.e.1.1.a Percentage of incoming phone calls serviced by the Customer Service team	%	60	39.3	43.8	Customers using online resources to obtain necessary information before calling the City and speaking directly with teams. This is also allowing onboarding of

Measure	UoM	Annual Target	Annual Actual	Annual Last Year	Comments
					new customer service staff members to enhance their knowledge of City operations and services.
4.e.1.1.e Assess all planning applications within the statutory timeframes	%	100	90.4	99.3	Low staffing in Q2 and Q3 caused a backlog. Progress made with 34 out of 39 DAs being determined within the statutory timeframe.
4.e.1.2.b Measure the percentage of compliant responses to the annual Compliance Audit Return	%	100	94.9	91.6	Instances of improvement noted in tender processes, disclosures of interest, gifts and publications on our website of the district map and councillor training not current.

### 9.3 INFORMATION TECHNOLOGY REPORT

<b>File No:</b>	IT.11
<b>Responsible Executive Officer:</b>	Director Corporate Services
<b>Reporting Author:</b>	Manager Information Technology
<b>Date of Report:</b>	13 November 2025
<b>Disclosure of Interest:</b>	Nil
<b>Attachment(s):</b>	Nil

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#### PURPOSE

To provide the Committee with an update on key ICT projects and cybersecurity initiatives.

#### BACKGROUND

##### 1. Cyber Security Review

The City has engaged One Step Group to conduct an independent assessment of the City's ICT security environment. This follows a competitive procurement process and is designed to evaluate the City's current cyber security posture and alignment with the ASD Essential Eight mitigation strategies.

Scope and Objectives:

- Identify vulnerabilities across systems, networks, and applications.
- Conduct ethical hacking and simulated cyber-attacks to assess exposure to real-world threats.
- Provide a comprehensive gap analysis against the Essential Eight Maturity Model.
- Recommend and prioritise remediation actions based on risk to strengthen cyber resilience.

The assessment includes Penetration Testing (Separable Portion) and an Essential Eight Security Assessment. The results of both assessments will be presented to the Committee at a future meeting.

##### 2. ICT Strategic Review

An ICT Strategic Review is underway to evaluate how effectively the current technology environment supports business operations and future organisational priorities. Strategic Directions has been appointed to undertake this work.

Discovery activities commenced last week, with interviews and engagement sessions held with key stakeholders. Initial feedback has been positive, and preliminary findings are expected by the end of November.

A presentation outlining the outcomes of the ICT Strategic Review will be provided to the Committee at a future meeting.



**CONCLUSION**

This report is provided for the Committee's information.

**10 MATTERS BEHIND CLOSED DOORS****5.1 2024/25 ANNUAL FINANCIAL REPORT AND AUDIT OPINION**

*Table 3 - Findings from the 2025 Annual Financial Report Audit*

*Table 3 - Findings from the 2025 IT General Controls Audit*

## **11 CLOSURE & DATE OF NEXT MEETING**

The meeting closed at 5:17pm.

The date of the next meeting is tentatively noted for February 16, 2026.