



City of **Perth**

Minutes

Audit, Risk and Improvement Committee Meeting
18 March 2026

Approved for release

Michelle Reynolds
Chief Executive Officer
25 March 2026

Minutes to be confirmed at the next Audit, Risk and Improvement Committee Meeting

These minutes are hereby certified as confirmed.

Presiding member's signature _____

Date _____

AUDIT, RISK AND IMPROVEMENT COMMITTEE (ARIC)

OCTOBER 2025

Establishment and Appointment	<p>The Audit, Risk and Improvement Committee (“ARIC” or “Committee”) is a Committee of the City of Perth (the City) Council pursuant to the <i>Local Government Act 1995</i> (“the Act”), sections 5.8 and 7.1A.</p> <p>The Committee will operate in accordance with all relevant provisions of the Act, the <i>Local Government (Audit) Regulations 1996</i> and the <i>Local Government (Administration) Regulations 1996</i>.</p> <p>These Terms of Reference set out the ARICs purpose, authority, membership, functions, and responsibilities.</p>
Role and Purpose	<p>As prescribed by Regulation 16 of the <i>Local Government (Audit) Regulations 1996</i>, the ARIC provides appropriate advice to Council on matters relevant to its Terms of Reference. The ARIC achieves this by making a recommendation to Council on all matters brought before it.</p> <p>The ARIC advise Council in fulfilling its oversight responsibilities in relation to:</p> <ul style="list-style-type: none"> • Systems of risk management and internal control. • Performance reporting for external and internal audit. • Financial management and reporting practices. • Compliance with laws and regulations. <p>The ARIC is not responsible for the management of these functions but will engage with the administration in a constructive and professional manner to perform its oversight responsibilities.</p> <p>The Committee also acts as a forum for communication between Council, the administration, External Service Providers, and the Office of the Auditor General (“OAG”) and their selected auditor.</p> <p>Members of the Committee are expected to:</p> <ul style="list-style-type: none"> • Understand the legal and regulatory obligations of the Council. • Understand the governance arrangements that support achievement of the City’s strategies and objectives. • Exercise due care, diligence and skill when performing their duties. • Adhere to the <u>Code of Conduct for Council Members, Committee Members and Candidates</u> and demonstrate behaviour which reflects the City’s desired culture. • Be aware of contemporary and relevant issues impacting the public sector. • Only use information provided to the ARIC to carry out their responsibilities, unless expressly agreed by Council. • Be committed to implementing better practice principles within their workings.
Authority and Independence	<p>The ARIC is a Committee of Council and is responsible to that body. The ARIC does not have any delegated decision-making powers under Section 5.16 of the Act.</p> <p>The Council authorises the Committee, in accordance with these Terms of Reference, to:</p>

	<ul style="list-style-type: none"> • Obtain any information it requires from any official or external party (subject to any legal obligations to protect information). • Discuss any matters with internal auditors, OAG, other external parties, or members of the administration. • Request the attendance of an elected member at ARIC meetings. • Request that the CEO obtains legal or other professional advice when necessary to fulfil its role, at the entity’s expense, subject to approval by Council. <p>The Committee must remain independent from management of the City; however, it will be administratively supported by the Manager Audit and Risk. Any member of the ARIC can meet with the Manager Audit and Risk on request.</p> <p>The Committee is only to consider reported items that are within the scope outlined in these Terms of Reference, or as directed by Council. Any exceptions to this will be recorded in the minutes.</p>
<p>Membership and Meetings</p>	<p style="text-align: center;">Composition</p> <p>The ARIC is comprised of a maximum of eight (8) members, of which, two (2) must be independent. All members will have full voting rights.</p> <p>Council must appoint a Presiding Member to chair ARIC meetings.</p> <p>Council may appoint a Deputy Presiding Member to act as Presiding Member in the Presiding Member’s absence.</p> <p>The Committee may request that the CEO invite the External Audit Service Providers and relevant management representatives to attend a meeting to present information and respond to questions at the meeting.</p> <p>A representative from the OAG may be invited to attend ARIC meetings as an observer.</p>
	<p style="text-align: center;">Appointment and Membership Terms</p> <p>Members of the ARIC are appointed by Council in accordance with Section 7.1A of the Act.</p> <p>Independent committee members must be appointed by Council, in accordance with section 5.10 of the Act. The appointment process will follow relevant Council Policies relating to Independent Committee Members.</p> <p>In accordance with section 5.11 of the Act, all members will be appointed by the Council, and will remain a member until —</p> <ol style="list-style-type: none"> a. the term of the person’s appointment as a committee member expires; or b. the local government removes the person from the office of committee member or the office of committee member otherwise becomes vacant; or c. the committee is disbanded; or d. the next ordinary elections day

		<p>The Presiding Member and Deputy Presiding Member of the Committee will each serve a term of two (2) years, in accordance with the <i>Local Government Act 1995</i>.</p> <p>Under Part 2, Regulation 4 of the <i>Local Government (Administration) Regulations 1996</i>, members may resign from the ARIC by giving the CEO or the ARIC’s Presiding Member written notice of their resignation. It is encouraged that ARIC members provide a notice period of three (3) months.</p> <p>The City will conduct an induction following each ordinary election to help support the skills and experience of elected and ARIC members.</p> <p>Any additional training for members will be in accordance with section 5.126 of the Act.</p>
Meetings		<p>Frequency: Quarterly for ordinary meetings, and as required.</p> <p>The Presiding Member is required to call a meeting in accordance with the Standing Orders</p> <p>Member attendance: Meeting attendances and absences are to be recorded and monitored. Where regular non-attendance is noted, the Presiding Member may raise this with the ARIC member.</p> <p>Quorum: As prescribed by Section 5.19 of the Act, the quorum for Committee meetings will be at least 50% of the number of offices of the Committee (whether vacant or not).</p> <p>Agenda: An agenda will be distributed at 72 hours prior to the meeting, along with reports and other attachments or information to be addressed.</p> <p>ARIC Agenda papers will be circulated to members via the Council Hub portal and to independent members via email.</p> <p>Voting: Voting is in accordance with Section 5.21 of the Act.</p> <p>All decisions to make a recommendation to Council must be made by simple majority.</p> <p>Minutes: All meetings will be minuted, and minutes will be submitted to the Committee at the next Committee meeting for confirmation, as per Section 5.22 of the Act.</p> <p>Minutes are to include all that is listed in Regulation 11 of the <i>Local Government (Administration) Regulations 1996</i>.</p> <p>Reporting: Where reports require a decision of Council, the ARIC will present its recommendation to the next Ordinary Council Meeting through the Agenda Briefing Session (if practicable)</p> <p>Confidentiality: All Committee members will be required to adhere to the City’s confidentiality requirements in accordance with the Act and the <u>Code of Conduct for Council Members, Committee Members and Candidates</u>.</p> <p>Conduct of Meetings: An in-camera session with the Manager Audit and Risk may be conducted before the conclusion of an ARIC meeting.</p>

Responsibilities	<p>The ARIC oversees the City's systems of financial reporting, risk management and internal control. Its duty is to provide oversight over significant risk exposures and control issues, including fraud risks, governance issues and other matters as necessary or requested by the CEO or Council.</p> <p>The duties and responsibilities of the ARIC include, but are not limited to:</p> <ol style="list-style-type: none">1) Overseeing the City's risk management, through:<ol style="list-style-type: none">a) Biennial review of the City's Risk Management Policy.b) Reviewing reports on the movement of the City's current strategic risks, and the emergence of new strategic risks.c) Overseeing strategic risks which sit outside of the City's Risk Appetite.2) Overseeing the City's processes for managing fraud and corruption, by:<ol style="list-style-type: none">a) Performing oversight responsibilities as per the City's Fraud and Corruption Control Policy (CP 2.15) and reporting on this to Council annually.b) Enquiring with the CEO and the OAG about whether they are aware of any actual, suspected, or alleged fraud or corruption affecting the City.c) Reviewing summary reports from the CEO on communication from external parties including regulators that indicate problems in the internal control system or inappropriate management actions.3) Overseeing the City's financial management and legislative compliance, by:<ol style="list-style-type: none">a) Reviewing the City's annual Compliance Audit Return and reporting the results of that review to Council, in accordance with the <i>Local Government (Audit) Regulations 1996</i>.b) Receiving and reviewing reports from the CEO regarding the appropriateness and effectiveness of the City's legislative compliance and ensuring any non-compliances are rectified on a timely basis.c) Considering and recommending adoption of the annual financial report to Council.4) Overseeing the internal audit function, by:<ol style="list-style-type: none">a) Assessing and making a recommendation to Council on the 3-year Strategic Internal Audit Plan to ensure that it comprehensively covers material business risks that may threaten the achievement of strategic objectives and an Assurance Map which identifies key risks and control mechanisms.b) Monitoring the progress of the 3-year Strategic Internal Audit Plan.c) Reviewing the quality and timeliness of internal audit reports.d) Considering the implications of internal audit findings on the business, its risks, and controls.e) Monitoring the implementation of internal audit recommendations.f) Reviewing and making a recommendation to Council on the level of resources allocated to internal audit and the scope of the function's authority.g) Monitoring coordination of activities between the four (4) lines of defence.5) Fulfilling responsibilities pertaining to external audit, by:<ol style="list-style-type: none">a) Reviewing reports from the OAG, including auditor's reports, closing reports and management letters.
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	<ul style="list-style-type: none"> b) Reviewing management’s response to OAG findings and recommendations. c) Monitoring the implementations of recommendations from external audits. d) Meeting with the OAG at least once per year without management presence. e) Reviewing results of relevant OAG audit reports and better practice publications for guidance on good practices, including any self-assessment by the CEO.
<p>Committee Sitting Fees and Reimbursement*</p>	<p>Independent Committee Members will be paid meeting attendance fees and reimbursed expenses in accordance with Section 5.100 of the Act and Council’s relevant policies on Independent Committee Members.</p> <p>*This section provides for Independent Member Committee members only as council members receive an annual fee for meeting attendance under relevant Council Policy.</p>
<p>Reporting</p>	<p>The City’s Internal Audit business unit provides functional reports to the ARIC while maintaining its administrative reporting line to the CEO. Clearly defining this relationship ensures the business unit is supported and able to fulfil its responsibilities effectively.</p> <p>The provision of reports to the ARIC also provides an additional safeguard in the event of a serious breakdown in internal controls or internal control culture at senior levels in the organisation.</p> <p>The Presiding Member of the ARIC meets with the Manager Audit and Risk:</p> <ul style="list-style-type: none"> i. Prior to the Agenda Papers being prepared; and ii. Before an ARIC meeting to discuss the Agenda Papers and address any questions relating to the conduct of the meeting.
<p>Conflicts of Interest</p>	<p>All members of the ARIC must disclose and manage any actual or perceived conflicts of interest in accordance with the Act, subsidiary legislation, and the City’s <u>Code of Conduct for Council Members, Committee Members and Candidates</u>.</p> <p>All members of the ARIC will be provided with information and support to enable them to understand and comply with their disclosure requirements.</p> <p>Members are expected to review Committee meeting agendas and papers to identify any relevant interests prior to meetings.</p> <p>Interests will be recorded in the ARIC minutes.</p>
<p>Audit, Risk and Improvement Committee Performance Assessment Arrangements</p>	<p>Once per year, the ARIC will perform a self-assessment of its performance, in collaboration with the CEO. Feedback on the Performance of the ARIC may be received verbally and/or in written form from the Members. Outcomes from the annual self-assessment will be communicated to Council.</p>

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1. Declaration of Opening

The Presiding Member declared the Audit, Risk and Improvement Committee Meeting for the City of Perth open at 4:01pm.

2. Acknowledgement of Country

The Presiding Member respectfully acknowledge the Traditional Owners of the land on which we met, the Whadjuk Nyoongar people of Western Australia, and paid respect to Elders past and present.

3. Attendance

Members in Attendance

Independent Members

Lord Mayor

Councillors

Colin Murphy (Presiding Member)

Jonathan Seth

Bruce Reynolds

Catherine Lezer

Liam Gobbert

Raj Doshi

David Goncalves

Chris Patton

Officers in Attendance

Chief Executive Officer

General Manager Planning and Sustainability

General Manager Corporate Services

Executive Director

Alliance Manager Council Governance and Policy

Coordinator Council Governance and Policy

Council Governance and Policy Officer

Audit and Risk Manager

Executive and Governance Graduate

Michelle Reynolds

Robert Farley (*retired 5:31pm*)

Paul White (*retired 5:31pm*)

Wendy Attenborough

Charlie Clarke

Ebony Mackey

Suzanna Santa (*retired 5:31pm*)

Brent Godfrey (*retired 5:31pm*)

Jacob Armstrong (*retired 5:31pm*)

External Attendees:

Ambrose Tong

Jarrold Lean

Grant Thornton – via Teams (*Arrived 4:06pm , retired 4:16pm*)

Grant Thornton – via Teams (*Arrived 4:06pm , retired 4:16pm*)

Observers

Local Government Monitor

Carol Adams

3.1 Apologies

Nil.

3.2 Leave of Absence

Nil.

4. Confirmation of Minutes

Committee Resolution (ARC-26/03-002)

Mover: Councillor Catherine Lezer

Seconded: Independent Member Jonathan Seth

That the Committee CONFIRMS the minutes of the Audit, Risk and Improvement Committee Meeting held on 24 November 2025 and 21 January 2026 as a true and correct record.

CARRIED UNOPPOSED (8/0)

For : Lord Mayor Bruce Reynolds; Deputy Lord Mayor David Goncalves; Councillors Catherine Lezer, Liam Gobbert, Raj Doshi, Colin Murphy, Jonathan Seth and Chris Patton

Against : Nil

5. Correspondence

Nil.

6. Disclosures of Interests

Name	Chief Executive Officer Michelle Reynolds
Item number and title	Item 9.1 – Verbal Update – Executive Director
Nature of interest	Financial Interest
Interest description	<i>“It is reasonably foreseeable that the matter being discussed at Item 9.1 would result in a financial benefit or detriment to myself and it is prudent for me to disclose a financial interest.”</i>

Name	Deputy Lord Mayor David Goncalves
Item number and title	Item 9.1 – Verbal Update – Executive Director
Nature of interest	Impartiality Interest
Interest description	<i>“I previously made a referral to WorkSafe and an impartiality interest declaration to that effect at the Feb 24th 2026 Ordinary Council Meeting”</i>

Committee Resolution (ARC-26/03-003)

Mover: Independent Member Colin Murphy

Seconded: Lord Mayor Bruce Reynolds

That the Audit, Risk and Improvement Committee Meeting close the meeting to the public to discuss the following items:

- 7.1 - Internal Audit Report: Contract Management in accordance with Section 5.23(4)(e) of the *Local Government Act 1995* as it contains information the making public of which would be likely to endanger the security (including cyber-security) of any of the local government’s property or operations.
- 7.2 – Verification of the Implementation of Audit Recommendations – January 2026 in accordance with Section 5.23(4)(e) of the *Local Government Act 1995* as it contains information the making public of which would be likely to endanger the security (including cyber-security) of any of the local government’s property or operations.

CARRIED UNOPPOSED (8/0)

For : Lord Mayor Bruce Reynolds; Deputy Lord Mayor David Goncalves; Councillors Catherine Lezer, Liam Gobbert, Raj Doshi, Colin Murphy, Jonathan Seth and Chris Patton

Against : Nil

4:06pm *The meeting was closed to the public.*

7. Reports

4:06pm *Representatives from Grant Thornton arrived via Teams at the meeting prior to Item 7.1.*

7.1 Internal Audit Report: Contract Management

Responsible Officer	Brent Godfrey – Audit and Risk Manager
Attachments	Confidential Attachment 7.1A – Internal Audit Report: Contract Management

Purpose

To provide the Audit, Risk and Improvement Committee with an overview of the results of the Internal Audit Report: Contract Management.

This report is for information purposes only.

Background

1. At a Council meeting held on 27 May 2025, the 3-year Strategic Internal Audit Plan FY 25/26 – FY 27/28 was approved as recommended by the Audit, Risk and Improvement Committee.
2. As part of this broader plan, the FY 25/26 Internal Audit Plan included an audit of the City of Perth’s (“the City”) Contract Management System.
3. The objective of this audit stated in the approved FY 25/26 audit plan was “to consider the design and operating effectiveness of internal controls for the City’s contract management system, including but not limited to processes, tools and documentation”.
4. A key outcome of this audit was to identify and make recommendations to improve the City’s contract management framework which is scheduled for review during 2025/26. This audit was designed to assist the review.
5. The scope of the audit included reviewing one (1) large and one (1) small contract based on dollar materiality managed by three (3) Alliances being the Infrastructure and Operations, Commercial Services, and Community Development Alliances, to determine the effectiveness of contract management.
6. A total of six (6) contracts managed by the said Alliances, were deemed by management at “higher risk” and thus selected as part of the audit sample.
7. Grant Thornton was engaged to perform the Contract Management audit.

Discussion

8. The audit conclusion was “that despite the absence of a contract management framework, Contract Managers had utilised their experience and expertise to implement key controls with respect to the management of the six (6) contracts sampled”.
9. The audit resulted in six (6) good practices, two (2) audit findings, and no observations, which were validated through the audit process using the above-mentioned sample contracts.
10. The details of six (6) good practices identified were summarised as follows:

No.	Good Practices Identified
1	Contract register
2	Performance reporting and assurance activities
3	Contract variation approved in line with delegated authority
4	Record Keeping
5	Financial Monitoring
6	City approved contract templates

11. The details of two (2) audit findings identified were summarised as follows, including the respective inherent and residual risk ratings:

No.	Audit Findings Identified	Inherent Risk Rating	Residual Risk Rating
1	Contract Management Framework	Medium (9)	Low (3)
2	Contract ownership of “Whole-of-City” contracts	Medium (9)	Low (4)

12. The inherent risk rating represents the current amount of risk that exists in the process, whereas the residual risk rating represents the remaining risk level after the recommendations have been fully implemented.
13. Three (3) recommendations were raised to address the audit findings.
14. Management has agreed with the audit findings and accepted the recommendations which will be valuable inputs on the development of the City’s contract management system and will serve as guide towards sustaining a sound and effective contract management system.
15. The implementation of the recommendations will be verified by the Internal Audit Team as part of the standard verification audit process, and the progress will be reported back to the Audit, Risk and Improvement Committee.
16. Grant Thornton’s full audit report is provided at **Confidential Attachment A**.

Consultation

17. Prior to and during the engagement, information and documentation was requested from the respective General Managers and Alliance Managers from Infrastructure and Operations, Commercial Services, and Community Development Alliances, as well as the Manager Audit and Risk.
18. Interviews were held across the organisation to gain better understanding how the contract management system was designed and implemented.

Decision Implications

Nil.

Strategic, Legislative and Policy Implications

Strategy	
Strategic Pillar (Objective)	A Well-Governed City
Related Documents (Issue Specific Strategies and Plans):	3-year Strategic Internal Audit Plan

Legislation, Delegation of Authority and Policy	
Legislation:	<i>Local Government (Audit) Regulations 1996</i>
Authority of Council/CEO:	As the Committee has no delegated authority, Council is required to approve changes to timeframes.
Policy:	Nil.

Financial Implications

Nil.

Further Information

Nil.

4:16pm *Representatives from Grant Thornton retired from the meeting prior to Item 7.2.*

7.2 Verification of the Implementation of Audit Recommendations - January 2026

Responsible Officer	Brent Godfrey – Audit and Risk Manager
Attachments	Confidential Attachment 7.2A – Internal Audit Report: Verification of the Implementation of Audit Recommendations - January 2026

Purpose

The purpose of this report is to provide an overview of the results from the Verification of the Implementation of Audit Recommendations – January 2026.

This report is for information purposes only.

Background

- The City’s Executive Leadership Team (“ELT”) proposed a more robust approach to determine whether audit recommendations have been satisfactorily implemented. The new verification approach is to conduct quarterly verification testing to ensure there is appropriate oversight over recommendations within the audit log and that they are closed off in a timely manner.
- As part of the approved FY 25/26 Audit Plan, the Internal Audit Unit undertook verification of recommendations due by 31 December 2025.

Discussion

- The objective of this verification process was to obtain sufficient and appropriate evidence to determine if the recommendations were implemented effectively and present the results of this verification to the Audit, Risk and Improvement Committee.
- The scope of this verification covered fifteen (15) recommendations that were due 31 December 2025 as follows:

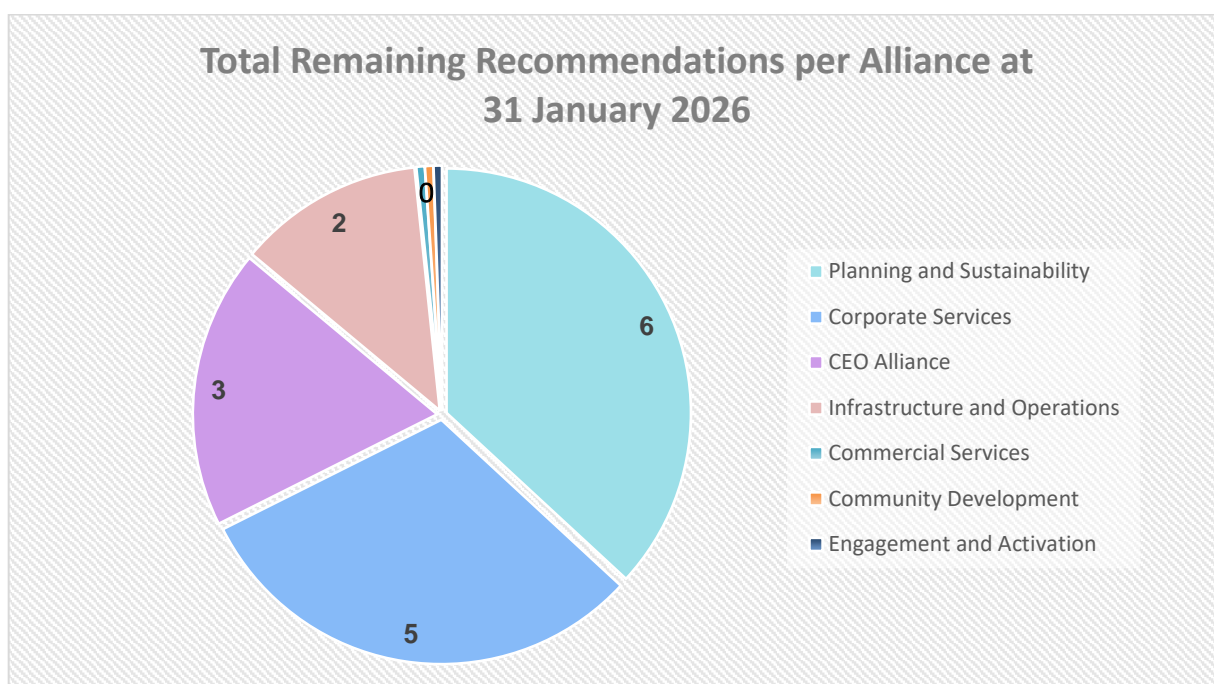
Responsible Alliances	Count	Inherent Risk Ratings of Findings		
		High	Medium	Low
Corporate Services	10	1	8	1
Commercial Services	2	-	-	2
Infrastructure and Operations	2	-	1	1
Planning and Sustainability	1	-	-	1
Total	15	1	9	5

- The following table summarises the number of recommendations recorded in the audit log for this verification period by Alliance, showing thirty (30) opening number and sixteen (16) closing number.

Alliance	Total Count of Action Items	Inherent Risk Rating of Related Findings			Total Reviewed (In Scope)	Status		Total Count of Action Items Remaining in the Audit Log
		High	Medium	Low		Completed	In Progress	
	<i>a</i>	<i>b</i>	<i>c</i>	<i>d</i>	<i>e</i>	<i>f</i>	<i>g</i>	<i>h = (a-f)</i>
Corporate Services	15	1	10	4	10	9	1	6
Commercial Services	2	-	-	2	2	2	-	-
Infrastructure and Operations	3	-	1	2	2	2	-	1
Planning and Sustainability	7	6	-	1	1	1	-	6
CEO Alliance	3	1	2	-	-	-	-	3
Community Development	-	-	-	-	-	-	-	-
Engagement and Activation	-	-	-	-	-	-	-	-
TOTAL	30	8	13	9	15	14	1	16

- For the fifteen (15) recommendations verified, fourteen (14) were marked as ‘Completed’. Further details on remedial actions for the completed audit recommendations are provided in **Confidential Attachment A**.

7. The remaining one (1) recommendation was marked as 'In Progress'. Further details are provided in **Confidential Attachment A**.
8. Following this verification, there is a total of sixteen (16) items remaining in the audit log, made up of:
 - a. Eight (8) recommendations related to high risk-rated findings.
 - b. Four (4) recommendations related to medium risk-rated findings.
 - c. Four (4) recommendations related to low risk-rated findings.
9. A full list of remaining audit recommendations in the log are provided in **Confidential Attachment A**.
10. The pie-chart and table below also provide an overview of the total audit action items in the audit log across each of the relevant Alliances following this verification process, including the associated inherent risk rating.



Alliance	Total Count of Remaining Action Items	Inherent Risk Rating of Related Findings		
		High	Medium	Low
Planning and Sustainability	6	6	-	-
Corporate Services	5	1	2	2
CEO Alliance	3	1	2	-
Infrastructure and Operations	2	-	-	2
Commercial Services	-	-	-	-
Community Development	-	-	-	-
Engagement and Activation	-	-	-	-
TOTAL	16	8	4	4

Consultation

11. Internal consultation was undertaken with relevant action owners, to discuss:

- a. The scope of the December 2025 verification period.
- b. Any work performed to address each allocated recommendation. These consultation sessions included walkthroughs of relevant processes and controls, and reviews of documentation of implemented controls.

Decision Implications

Nil.

Strategic, Legislative and Policy Implications

Strategy	
Strategic Pillar (Objective)	A Well-Governed City
Related Documents (Issue Specific Strategies and Plans):	3-year Strategic Internal Audit Plan

Legislation, Delegation of Authority and Policy	
Legislation:	Local Government Act 1995
Authority of Council/CEO:	CEO
Policy:	Nil.

Financial Implications

Nil.

Further Information

Nil.

Committee Resolution (ARC-26/03-004)

Mover: Independent Member Colin Murphy

Seconded: Councillor Catherine Lezer

That the Audit, Risk and Improvement Committee Meeting reopen the meeting to the public.

CARRIED UNOPPOSED (8/0)

For : Lord Mayor Bruce Reynolds; Deputy Lord Mayor David Goncalves; Councillors Catherine Lezer, Liam Gobbert, Raj Doshi, Colin Murphy, Jonathan Seth and Chris Patton

Against : Nil

5:00pm The meeting was re-opened to the public.

7.3 OAG Performance Audit on Gifts and Benefits

Responsible Officer	Brent Godfrey – Audit and Risk Manager
Attachments	Nil.

Purpose

To provide the Audit, Risk and Improvement Committee (ARIC) with a progress report on the Office of the Auditor General’s (OAG) performance audit on gifts and benefits.

This report is for information purposes only.

Background

1. The OAG has recently completed a performance audit on local governments' management of gifts and benefits and has advised they plan to table their report in Parliament on 18 March 2026. The OAG selected six (6) local government entities for review including the City of Perth.
2. The OAG conducted control analysis and sample testing to progress the audit. The sample testing was completed by the OAG running a script on the CoP's email data base searching for the word "gift" or similar. For the sample of emails identified with the word "gift" the OAG requested the CoP:
 - a. follow up the emails to determine if a gift had been received; and
 - b. if gifts had been received were entered in the City's gifts registers.

Discussion

3. The OAG's control analysis resulted in 2 key recommendations being made to all 6 local government entities:
 - a. Provide education and guidance which set out expectations and assist staff and Council members in making decisions relating to gifts and benefits; and
 - b. Implement fit for purpose, risk-based monitoring and reporting mechanisms.
4. The CoP advised the OAG it is committed to continuous improvement and feedback, and that it has a range of policies and guidance for both staff and elected members relating to gifts and benefits. Also the City is committed to further enhancing education and training. Given the City's progress, it substantially complies with the 2 recommendations and 8 clauses to those recommendations.
5. The OAG's sample testing identified 294 emails with the word "gift". The OAG advised 237 emails were lower risk and 57 emails were higher risk (could cause possible conflicts of interest if accepted). The 237 lower risks were not considered to require further review.
6. From the sample of 57 high risk emails, 2 gifts received had been recorded properly (in accordance with statutory requirements) in the Attain gift register.
7. However, the statutory record for those 2 gifts had not transferred to the public facing version of the register. This was caused by human error. Upload to the public facing register is now automated to prevent future errors.
8. The OAG has advised its report to Parliament will include the following comments relating to the CoP:
 - a. Due to the large number of offers, we recommended that the City of Perth focus their review on entries which could raise possible conflicts of interest if accepted. Of the 294 offers identified, 237 lower risk categories have not been reviewed at the time of this report.
 - b. Two gifts received were required to be added to the gift register.
9. The OAG's tabled report to Parliament for the gifts and benefits audit will be submitted to the ARIC meeting on 1 May 2026 for information and consideration.

Consultation

10. The internal audit unit works consultatively with the OAG and all Alliances to facilitate the completion of external audits.

Decision Implications

Nil.

Strategic, Legislative and Policy Implications

Strategy	
Strategic Pillar (Objective)	A Well-Governed City
Related Documents (Issue Specific Strategies and Plans):	OAG Performance Audit Report

Legislation, Delegation of Authority and Policy	
Legislation:	Local Government Act 1995 Local Government (Administration) Regulations 1996
Authority of Council/CEO:	CEO requested a progress report to ARIC
Policy:	Operational Policy (OP) 19 – Management of Employee Conflicts of Interest.

Financial Implications

Nil.

Further Information

Nil.

7.4 Progress on the FY 25/26 Audit Plan

Responsible Officer	Brent Godfrey – Audit and Risk Manager
Attachments	Nil.

Purpose

To provide the Audit, Risk and Improvement Committee (ARIC) with a progress report on the FY 25/26 Audit Plan.

This report is for information purposes only.

Background

1. At a meeting on 12 May 2025, ARIC recommended an updated 3-year Strategic Internal Audit Plan for FY25/26 to FY 27/28 to Council. The plan was endorsed by Council at an Ordinary Council Meeting held on 27 May 2025.
2. The FY 25/26 Audit Plan represents the first year of the 3-year Strategic Internal Audit Plan for FY 25/26 to FY 27/28.

Discussion

3. The table below provides an overview of the progress against the FY 25/26 plan.

Audit	Strategic Risk	Primary Alliance	Commence Quarter	Status	Auditor
Verification of the Implementation of Audit Actions – July 2025	Ineffective Governance	All	Q1	Completed. Reported to ARIC 11 August 2025.	Internal
Contract Management Audit	Ineffective Governance	All	Q1	Completed. Reported to ARIC 09 March 2026.	External (Grant Thornton)
OAG Annual Financial Statements (AFS) Audit	Ineffective Governance	Corporate Services	Q2	Completed. Reported to ARIC 24 November 2025.	OAG
Verification of the Implementation of Audit Actions – October 2025	Ineffective Governance	All	Q2	Completed. Reported to ARIC 24 November 2025.	Internal
Financial Management Review	Ineffective Governance	Corporate Services	Q3	5% Completed.	External (Paxon)
Compliance Audit Return (CAR)	Ineffective Governance	All	Q3	Due to Commence*	Internal
Verification of the Implementation of Audit Actions – January 2026	Ineffective Governance	All	Q3	Completed. Reported to ARIC 18 March 2026.	Internal
OAG Interim Audit	Ineffective Governance	Corporate Services	Q4	Due to Commence	OAG
Verification of the Implementation of	Ineffective Governance	All	Q4	Due to Commence	Internal

Audit	Strategic Risk	Primary Alliance	Commence Quarter	Status	Auditor
Audit Actions – April 2026					
NSW Drives 24	Ineffective Governance Cybersecurity	Commercial Services	Q4	Due to Commence	External
Vic Roads	Ineffective Governance Cybersecurity	Commercial Services	Q4	Due to Commence	External
Payroll Review	Ineffective Governance	Corporate Services	Q4	5% Completed.	Internal

* The Department of Local Government, Industry Regulation and Safety is reviewing CAR content and the new submission date has been extended to 30 September 2026.

Consultation

- The internal audit unit works consultatively with all alliances to facilitate the completion of the audit plan and implementation of audit recommendations.

Decision Implications

- Nil.

Strategic, Legislative and Policy Implications

Strategy	
Strategic Pillar (Objective)	A Well-Governed City
Related Documents (Issue Specific Strategies and Plans):	3-year Strategic Internal Audit Plan

Legislation, Delegation of Authority and Policy	
Legislation:	Local Government Act 1995.
Authority of Council/CEO:	The ARIC has no delegated authority, changes to the plan require Council approval.
Policy:	Nil.

Financial Implications

Nil.

Further Information

Nil.

7.5 Pyschosocial Risk Assessment Status Report

Responsible Officer	Michelle Reynolds – Chief Executive Officer
Voting Requirements	Simple Majority
Attachments	Attachment 7.5A – Recommendation Table Psychosocial Risk - March 2026

Purpose

To provide the Audit, Risk and Improvement Committee (ARIC) with an update on implementation of the recommendations of the Psychosocial Risk Assessment Report.

This report is for information purposes only.

Background

- At the Ordinary Council Meeting of 24 and 25 February 2026 Council endorsed the allocation of \$135,000 in FY 2025-26 to implementation of the recommendations within the Psychosocial Risk Assessment Report (the Report).
- Council also agreed to further discuss those recommendations involving Elected Members at an Elected Member Engagement Session. Alex Wood, author of the Report, presented to the Elected Member Engagement Session of 10 March 2026 in an effort to initiate this discussion.
- Ms Wood was very clear that a commitment from all Elected Members to progress the recommendations was the best opportunity to create the environment for a more effective working relationship.

Discussion

Current situation

- The current status of recommendations is provided in the table at Attachment A.
- At this stage the CEO has progressed those recommendations which do not rely on procurement processes or additional staffing resources.
- Staffing within the CEO Alliance, and particularly with the Governance Team, is significantly depleted. Since August 2025 eight staff within Governance and Elected Member support roles have resigned, five of those since November.
- Recruiting into those roles has been extremely difficult, with a number of appointments failing to progress due to adverse publicity about the City. Successful candidates from recent recruitment processes into senior governance roles decided not to progress with their appointment, including one in the days following the OCM of 24 and 25 February 2026.
- The City is currently facing significant risk due to the challenges in recruitment of staff into key governance roles.
- Implementing the recommendations of the Psychosocial Risk Assessment, and improving the functioning of Council is critical to stabilizing the staffing arrangements in these areas.
- This is particularly important given the increasing work load within the governance team as a consequence of establishing a new Committee of Council, and the continued high number of questions and requests from Elected Members.

Next Steps

- The Administration is currently focused on recruiting a person with appropriate governance experience to (amongst other things) coordinate implementation of those recommendations requiring procurement and other resources to progress.

Consultation

- Elected members and relevant staff have been consulted regarding implementation of the recommendations. This work will continue.

Decision Implications

Nil.

Strategic, Legislative and Policy Implications

Strategy	
Strategic Pillar (Objective)	A Well-Governed City
Related Documents (Issue Specific Strategies and Plans):	

Legislation, Delegation of Authority and Policy	
Legislation:	Local Government Act 1995 Work Health and Safety Act 2020
Authority of Council/CEO:	CEO has responsibilities under the Work Health and Safety Act 2020 and the Local Government Act 1995.
Policy:	

Financial Implications

Council has allocated \$135,000 to progress the recommendations of the Psychosocial Risk Assessment.

Further Information

Nil.

Psychosocial Risk Assessment – Table of Recommendations and Administration response.
March 2026

No.	Recommendation	Priority Level	Administration response	Current status
1.	<p>External facilitation for central Council-management relationship</p> <p><i>Engage an experienced mediator with local government governance or specialist expertise to facilitate structured relationship repair between the CEO and presiding member (LM). It should produce documented commitments or 'Working Relationship Agreement' and a scheduled review cycle with external accountability.</i></p>	Immediate (0-4 weeks)	<p>Supported requires further discussion with Elected Members.</p> <p>Subject to budget allocation and procurement processes.</p> <p>Anticipate initial allocation of a senior mediator will require approx. \$3,500 per day + GST</p> <p>Initial commitment five (5) full days spread over an initial engagement of 3 weeks, then fortnightly review meetings over a three month period.</p> <p>Preliminary cost estimate: \$17,500 + GST</p>	<p>Procurement process to be undertaken.</p> <p>Requires EM engagement to progress.</p>
2.	<p>External oversight arrangement</p> <p><i>Appoint an external party to provide ongoing oversight of commitments, monitor implementation progress, and hold parties accountable. The external party should have clear terms of reference and authority to escalate non-compliance.</i></p>	Immediate (0-4 weeks)	<p>Supported.</p> <p>Monitor to provide initial oversight of conduct, recognizing that the appointment is only for an initial three months and may not provide ongoing compliance monitoring.</p>	<p>Local Government Inspector appointed Monitor has commenced.</p>

Psychosocial Risk Assessment – Table of Recommendations and Administration response.
March 2026

<ul style="list-style-type: none"> 3. 	<ul style="list-style-type: none"> Formalise protective protocols for staff Document and resource the protective arrangements Administration have already implemented (such as witness requirements for certain meetings). Ensure all staff with direct council interface have access to these protections as standard practice. 	<p>Immediate (0-4 weeks)</p>	<p>Supported.</p>	<p>Completed.</p> <p>Specific communication protocol in place for one Elected Member to manage inappropriate communication with staff. The protocol advises that all communication should be through one email address which will be checked twice per day and responded to within particular timeframes.</p> <p>Operational Policy 29 has been reviewed (shown in green below) to address this recommendation and formalise protective protocols. OP29 now reads:</p> <p><i>“Where the communication is a face-to-face meeting:</i></p> <p><i>In-person meetings with elected members are to be conducted with a minimum of two staff members present, including at least one officer at the level of General Manager, Executive Director or above.</i></p> <p><i>“summary notes of the meeting are to be made by the employees attending the meeting.”</i></p> <p>In addition, the Elected Member Engagement Protocol has been amended to advise elected members (who are not bound by OP 29) that a minimum of two officers will be in attendance at all face-to-face meetings between elected members and the administration.</p>
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Psychosocial Risk Assessment – Table of Recommendations and Administration response.
March 2026

4.	<p>Rapid response mechanism for conduct matters</p> <p><i>Implement a third-party rapid response mechanism for conduct matters that require prompt intervention. This can be an additional tool prior to formal interventions that take significant periods as the focus is immediately addressing the issue. This may be fulfilled by a private specialist mediation company or similar. Council and Administration agree to utilise the service as a means to supplement the lack of appropriate mechanisms at a sector level. This fills the gap between ineffective internal discussion and lengthy formal processes.</i></p>	<p>Immediate (0-4 weeks)</p>	<p>Supported.</p> <p>Subject to budget allocation and procurement processes.</p> <p>Cost is likely to be \$15,000 + GST</p> <p>Propose two full days per engagement, with five engagements in the first six months.</p>	<p>Procurement process to be undertaken.</p> <p>Requires EM engagement to progress.</p>
5.	<p>Interim resourcing for critical capability gaps</p> <p><i>Conduct rapid gap analysis and implement temporary resourcing arrangements for positions critical to governance support and organisational functioning.</i></p>	<p>Immediate (0-4 weeks)</p>	<p>Supported</p>	<p>Completed and ongoing</p> <p>An Alliance reporting structure for Jan – March has been put in place to assist with workload management.</p> <p>However issues with retention within Council facing staffing roles continue, and challenges with recruitment to the City (given present issues) persist.</p>
6.	<p>Meeting procedure review</p> <p><i>Review standing order and meeting procedures to provide appropriate voice for all parties, establish intervention mechanisms when proceedings</i></p>	<p>Short-term priority (1-3 months)</p>	<p>Supported</p>	<p>The City of Perth has commenced a review of the Standing Orders Local Law 2009.</p>

Psychosocial Risk Assessment – Table of Recommendations and Administration response.
March 2026

	<i>become harmful, address process where the presiding member role requires meeting management support.</i>			
7.	Communication equity arrangements <i>Establish communication protocols that ensure all elected members receive equal access to information. Include monitoring arrangements to identify and address selective information sharing.</i>	Short-term priority (1-3 months)	To be discussed with Elected Members. The City already has a protocol in place (<i>Elected Member Communication Protocol</i>) for formal communications however there is inconsistent application by elected members.	This work will be prioritized once staffing within the Governance team has stabilised.
8.	Council team development <i>Implement facilitated team development for the full council, addressing factional dynamics, conflict resolution and building shared purpose. All members must attend.</i>	Short-term priority (1-3 months)	To be discussed with Elected Members. Can be implemented, subject to budget allocation, procurement processes and elected member agreement. Provision of a consultant to provide elected member team building was previously suggested twice by Administration during 2025 (July and October). Senior facilitators with governance and political acumen, who can confidentially address factions, behaviours and trust deficits in a structured and expert manner with expertise in conflict resolution and structured follow up is estimated to cost around \$60,000 plus GST.	Procurement process to be undertaken. Requires EM engagement to progress.

Psychosocial Risk Assessment – Table of Recommendations and Administration response.
March 2026

9.	<p>Presiding member support and development</p> <p><i>Provide tailored individual coaching for presiding members covering effective meeting management, managing team dynamics, conflict resolution, and creating psychological safety.</i></p>	Short-term priority (1-3 months)	<p>To be discussed with Lord Mayor</p> <p>Can be implemented, subject to budget allocation, procurement processes and Presiding Member agreement. Monitor may identify training requirements.</p> <p>Executive level coaching over a multi-month period would cost in the vicinity of \$15,000 plus GST</p>	<p>Procurement process to be undertaken.</p> <p>Requires LM engagement to progress.</p>
10.	<p>Leadership transition protocol enhancement</p> <p><i>Develop enhanced transition protocol that includes handover of relationship dynamics, working arrangements, and team context. Implement for any future leadership transitions.</i></p>	Short-term priority (1-3 months)	<p>Supported</p> <p>Finalize after receipt of Inspector report.</p> <p>Timeframe likely to be amended, given election cycles.</p>	<p>To be progressed after receipt of Monitor’s Report and ahead of next election cycle.</p>
11.	<p>Enhanced support for Council support staff and management</p> <p><i>Implement proactive wellbeing support for staff in council-facing roles, including: specialist psychological support; structured debriefing; annual leave planning; peer support arrangements; workload review; and regular wellbeing check-ins.</i></p>	Short-term priority (1-3 months)	<p>Supported</p> <p>CEO to action. Most initiatives already established, however further assessment is required.</p> <p>Initial budget assessment for specialist support is \$24, 000 plus GST</p>	<p>Staff and EM’s already have access to the Employee Assistant Program. This Program offers support via trained psychologists for a wide range of issues people face and work or home.</p> <p>Counselling support is also available via the LGIS “Psychological Safe” program whenever employees struggle with workplace-related issues.</p> <p>Specialist support (with ongoing understanding of specific workplace issues) is subject to procurement processes.</p>
12.	<p>Governance framework enforcement mechanisms</p> <p><i>Develop internal agreed graduated response mechanisms for governance framework breaches.</i></p>	Short-term priority (1-3 months)	<p>To be discussed with Elected Members</p>	<p>This work will be prioritized once staffing within the Governance team has stabilised.</p>

Psychosocial Risk Assessment – Table of Recommendations and Administration response.
March 2026

	<i>Include clear consequences and escalation pathways. Focus on rebuilding trust so that parties interpret actions charitably rather than relying solely on enforcement.</i>			
	Medium-term priority			
13.	Structured circuit breaker in governance arrangements <i>Amend governance framework to include standing provision for external mediation when key relationships reach impasse. Define triggers for activation and process for engaging mediator without requiring crisis.</i>	Medium-term priority (3-12 months)	To be discussed with Elected Members	This work will be prioritized once staffing within the Governance team has stabilised.
14.	Regulatory reform advocacy <i>Engage with relevant local government association and state government department regarding structural constraints in the regulatory framework, particularly the gap between ineffective low-level responses and disproportionate state action.</i>	Medium-term priority (3-12 months)	Support in principle	Opportunities for advocacy on regulatory reform will be identified.
15.	Complaints process procedural support <i>Provide procedural guidance and support to ensure legitimate complaints are not dismissed on technical grounds. Review past dismissals to identify systemic procedural issues.</i>	Medium-term priority (3-12 months)	Supported The City is required to adhere to the complaints management process and legislative requirements.	Implemented and ongoing.
16.	Gender equity assessment <i>Commission specific assessment of gender equality across elected member and staff experiences. Establish accessible complaint pathway for</i>	Medium-term priority (3-12 months)	To be discussed with Elected Members	A complaint pathway is available for staff at the City, in accordance with the EEO legislation. However this needs to be discussed further in relation to applicability to Elected Members. This

Psychosocial Risk Assessment – Table of Recommendations and Administration response.
March 2026

	<i>discrimination experienced by elected members and staff.</i>			work will be prioritized once staffing within the Governance team is stabilized.
17.	Psychosocial risk integration <i>Integrate psychosocial risks into the organisation’s risk management framework. Implement regular monitoring using validated tools such as People at Work. Report to Audit and Improvement Committee.</i>	Medium-term priority (3-12 months)	Supported	Psychosocial risk measurement tool for elected members and staff to be identified and implemented. Administration has already identified similar tools from other jurisdictions. This work will progress once staffing within the Governance team has stabilised. Psychosocial risk is integrated into the WHS hazard identification processes.
18.	Ongoing cultural monitoring <i>External oversight party to conduct regular cultural monitoring of council, executive team, and their interface. Track interpersonal dynamics, trust levels, and behavioural patterns against baseline.</i>	Medium-term priority (3-12 months)	Supported but will need to be discussed with Elected Members.	City systems (Culture Amp) provide a mechanism to enable monitoring. Will require EM engagement to progress.

7.6 Work Health and Safety Quarterly Report, FY 2025/26 Q2

Responsible Officer	Paul White – General Manager Corporate Services
Attachments	Attachment 7.6A – FY 2025/26 Q2 Work Health and Safety Quarterly Report

Purpose

The purpose of this report is to provide the Audit, Risk and Improvement Committee (ARIC) with the Work Health and Safety (WHS) Quarterly Report for FY 2025/26, Q2 (**Attachment A**).

This report is for information purposes only.

Background

1. A WHS report is provided to the ARIC quarterly, showing key WHS statistics for the previous quarter, and the most recent completed financial year for comparison, with longer-term trend data for hazard reporting. The FY 2025/26 Q2, Work Health and Safety Quarterly Statistics Report is attached (**Attachment A**).

Discussion

FY 2025/26 Q2, Work Health and Safety Quarterly Report (**Attachment A**)

2. The WHS report provides summary statistics for hazard and injury reporting.
3. A hazard is "something in the workplace that has the potential to cause an injury to a person (or people)".
4. Over recent years, the City has improved its hazard reporting systems and processes, and improved awareness through targeted risk assessments and knowledge sharing, which has seen a trend toward increased hazard reporting, as illustrated in **Chart 1 of Attachment A**.
5. An incident is "a work related event / occurrence that did or could have resulted in an injury, illness or fatality". This includes damage to physical assets which could have caused harm, and 'near misses' to employees, contractors, volunteers and visitors while on City premises or whilst performing work for the City elsewhere.
6. Incident reports are categorised into injuries (to team member, contactor or a member of the public), damage to property (including vehicles, plant and equipment), threatening behaviour, security breach and 'near miss', as shown in **Chart 2 of Attachment A**.
7. While property damage has traditionally been the highest category of reporting at the City, there is a trend toward increased incidents involving threatening behaviour by members of the public, which was the leading subject of incidents reported during the last quarter, representing just over one-third of all incident reports.
8. Reports of property damage were down during the last quarter, at 15 (28%), compared with 39 (34%) for 2024/25.
9. Thirteen reports involving an injury to a team member were made during the last quarter, being 25% of all incident reports, which is slightly lower than injury reporting during 2024/25, at 49 reports (27%). Three incidents involved lost time due to injury, which mainly arose from falls, and a further 4 incidents involved lost time for medical treatment. Three incidents involved the application of first aid and three incidents required no treatment. The number and breakdown of incidents reported during the last quarter is broadly consistent with 2024/25 (given the low sample size), as shown in **Chart 3 of Attachment A**.
10. Two key measures are widely used to measure the impact of workplace injuries:
 - Lost Time Injury Frequency Rate (LTIFR), which measures the number of lost time injuries per one million hours worked. A lost time injury is any injury that results in an employee missing at least one full work shift.
 - Total Recordable Injury Frequency Rate (TRIFR), which measures the number of lost time injuries, alternate work and injuries requiring medical treatment, per one million hours worked.

11. The target rate for LTIFR is 10 and the target rate for TRIFR is 20. The monthly injury frequency rates are presented in **Chart 4 of Attachment A**.
12. The City’s LTIFR remains above the target of 10, at between 11.4 and 12.4 over the last quarter, which is a higher rate than observed for the earlier three quarters, despite the downward movement in December 2025. The City’s TRIFR rate has remained reasonably consistent over the last year, and remains slightly above target, between 20.8% and 22.7% over the last quarter.
13. The City continues to build a safety culture, through raising awareness, improved reporting, and training with the aim of improving early hazard identification and hazard reporting and reducing the incidence and severity of injuries. Currently, the City’s Fitness for Work Procedure is under review, and a new employee exit survey is being piloted, which is expected to provide enriched information on the workplace experience.

Psychosocial Risk Assessment 2025

14. The Psychosocial Risk Assessment was the subject of two reports tabled at the February Ordinary Council Meeting, held on 24 and 25 February 2026:
 - Report 17.6: Psychosocial Risk Assessment, being a public report that provided a summary of the Psychosocial Risk Assessment report, reproduced the 18 recommendations from that report, and the administration response to those recommendations, including actions proposed, in progress or completed
 - Report 20.1: Psychosocial Risk Assessment Report (Elected Members), being a confidential report that provided the Psychosocial Risk Assessment Report in full.
15. The recommendations from the Psychosocial Risk Assessment that are within the CEO’s control and could be implemented within existing budget parameters, have been implemented.
16. To fully implement the recommendations, a budget allocation of \$280,000 was sought, inclusive of administrative support. Council approved a budget of \$135,000 for FY2025/26, and the recommendations were discussed and prioritised, given the budget adjustment, at an Elected Member Engagement Session (EMES), on 10 March 2026. The CEO is required to bring back a report to provide an update to an EMES, within 6 months.

Consultation

17. Nil.

Decision Implications

18. The reports are for noting.

Strategic, Legislative and Policy Implications

Strategy	
Strategic Pillar (Objective)	A Well Governed City
Related Documents (Issue Specific Strategies and Plans):	Work Health and Safety Management Plan

Legislation, Delegation of Authority and Policy	
Legislation:	Work Health and Safety Act 2020.
Authority of Council/CEO:	CEO
Policy:	OP15 Work Health and Safety Policy.

Financial Implications

- The approved budget to implement the recommendations from the Psychosocial Risk Assessment for the current financial year (FY 2025/26) is \$135,000. Should further funds be required to fully implement the recommendations, as agreed, a further budget allocation will be sought.

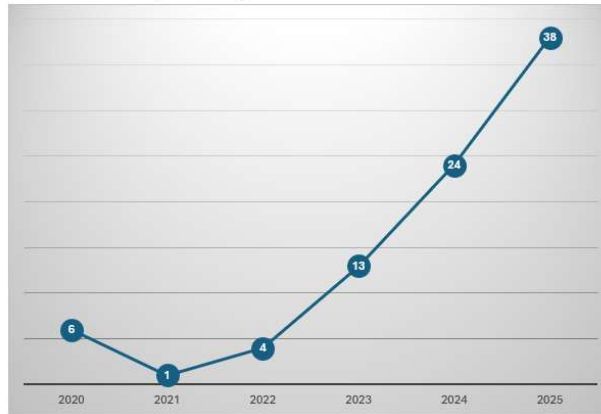
Further Information

20 Nil.

Attachment A - FY 2025/26 Q2, Work Health and Safety Quarterly Report

Chart 1: Hazard Reporting

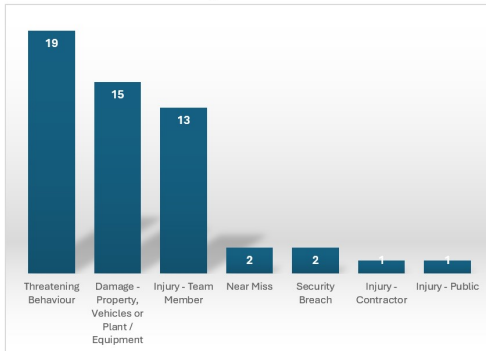
Hazard Reporting – 5 Year Trend



NOTE: Improved hazard reporting is desired, and reflects improved awareness and reporting.

Chart 2: Incident Reporting

Incident Reports FY 25/26 Q2



Incident Reports FY 24/25

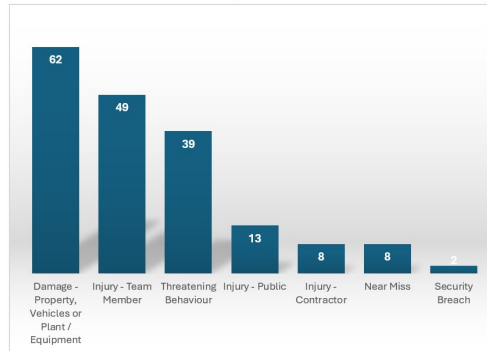


Chart 3: Injury to Team Member, by Outcome

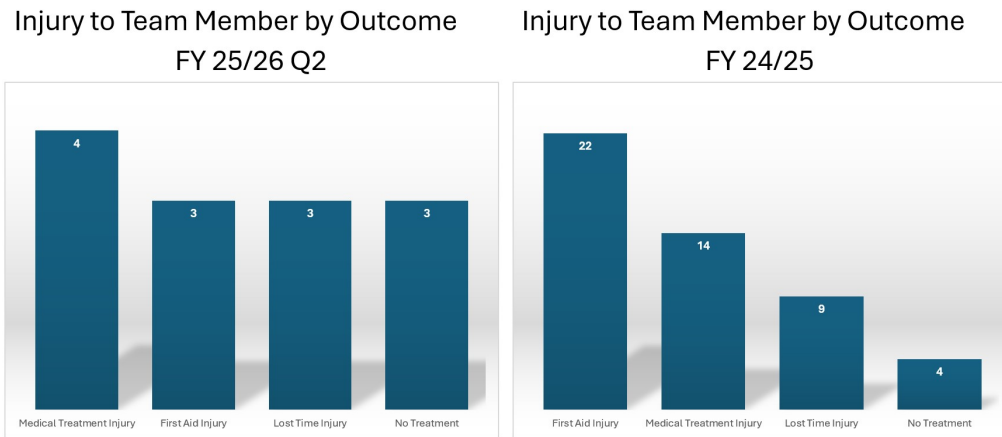
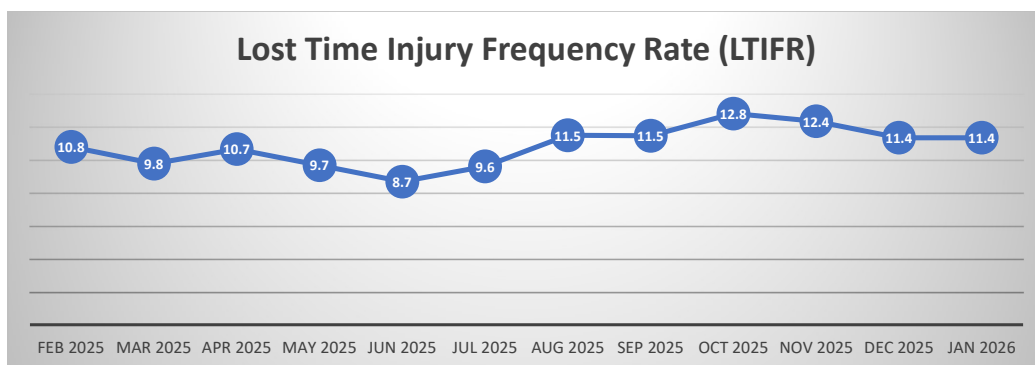
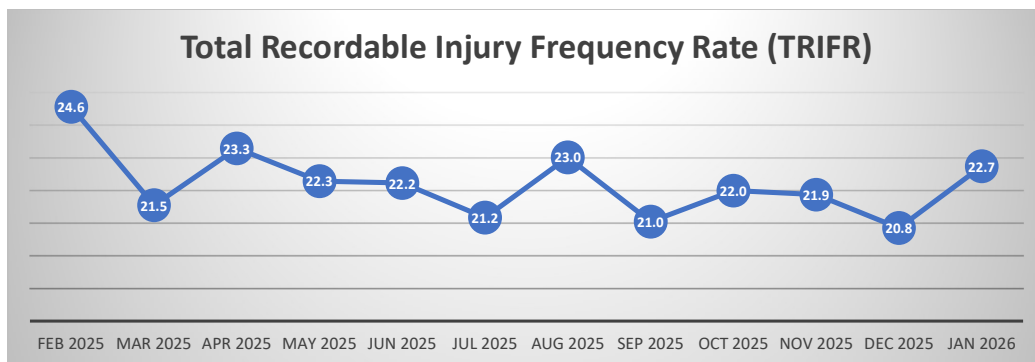


Chart 4: Injury Frequency Rate



7.7 Human Resources Information System Update

Responsible Officer	Paul White – General Manager Corporate Services
Attachments	Nil.

Purpose

The purpose of this report is to provide the Audit, Risk and Improvement Committee with an update on the progress of the Human Resources Information System project.

This report is for information purposes only.

Background

1. At the Ordinary Council Meeting of 28 March 2023 Council agreed that the City would undertake a procurement process to develop and implement a new Human Resources Information System (HRIS).
2. A new HRIS will encompass the complete employee lifecycle, from recruitment and onboarding to offboarding and everything in between: core HR, helpdesk, talent management, learning and development, workers' compensation and payroll. All on-line forms and workflows will be redeveloped.
3. Achieving this outcome has involved a multi-year, whole of organisation business transformation project. It has required significant business process identification, work-flow analysis, cross-system compatibility and functionality analysis, staff training and engagement, technical system build and substantial testing.
4. Successful completion of this transformational project will provide the City with a contemporary human resources information system that replaces existing fragmented, manual processes. This will lift compliance confidence and free human resources staff up to focus on higher-value work. It will give leaders more timely, usable workforce data to enable better decisions, scale efficiently and support a more consistent, professional employee experience.
5. Implementation of the migration to Oracle and Aurion was paused to allow for completion of the SaaS uplift for the Finance and Procurement systems. TechnologyOne has indicated it will not continue to support the Finance and Procurement on-premises versions. However, due to the dependencies between Finance and Payroll systems, it is not possible to have one system in the cloud (Finance) whilst the other (Payroll) is still on-premises. The TechnologyOne Payroll system has therefore been included in the SaaS uplift in order to stabilise the system, and provide security to the Finance and Procurement systems, ahead of progressing to finalisation of the HRIS implementation.

Discussion

6. The TechnologyOne SaaS uplift project for Finance, Procurement and Payroll is scheduled for completion in mid-April 2026. The project is progressing according to schedule, with user acceptance testing for Finance and Procurement complete, functional testing for Payroll at 91% completion, and user acceptance testing for Payroll commenced on 3 March 2026. While work continues to remedy and retest identified defects, all significant issues identified to date have been resolved and no 'showstopper' issues remain.
7. Concurrently, a Payroll internal audit has commenced, as part of the approved FY 2025/26 Internal Audit Plan. While the original objective of the audit was to review the effectiveness of the transition from TechnologyOne Payroll to Aurion, given the project pause for the Aurion implementation, the new objective of the audit is to examine the adequacy of current payment systems controls within the City's current TechnologyOne Payroll environment. Particular focus areas are reviewing compliance with complex Enterprise Bargaining Agreement conditions, identifying and assessing controls for manual processes, and procedures for updating employees leave accruals and verifying leave balances.

Consultation

8. A briefing was provided to the ARIC at its November 2025 meeting, and a Current Issues Briefing Note was distributed to Councillors on 11 February 2026.

Decision Implications

9. The report is for noting.

Strategic, Legislative and Policy Implications

Strategy	
Strategic Pillar (Objective)	A Well-Governed City
Related Documents (Issue Specific Strategies and Plans):	Corporate Business Plan

Legislation, Delegation of Authority and Policy	
Legislation:	Nil.
Authority of Council/CEO:	CEO
Policy:	Nil.

Financial Implications

10. No financial implications arise from this report, which is for information.

Further Information

11. Nil.

7.8 Office of the Auditor General Audit Report Update

Responsible Officer	Brent Godfrey – Audit and Risk Manager
Attachments	Nil.

Purpose

The purpose of this report is to provide the Audit, Risk and Improvement Committee with information on audits completed by the Office of the Auditor General since the meeting on 24 November 2025.

This report is for information purposes only.

Background

1. The Office of the Auditor General (“OAG”) conducts performance and finance audits that primarily focus on the effective management and operation of public sector programs and activities. These are independent audits which cover the compliance and/or operational activities of the State and Local Governments.
2. At the Audit and Risk Committee (“ARC”) meeting on 13 May 2024, it was requested that links to completed OAG reports be provided for the Committee’s information and consideration. Links to OAG reports are now included as a standing agenda item for all Audit, Risk and Improvement (ARIC) meetings.
3. An update on audits completed by the OAG in 2024 and 2025 was provided to the ARIC at the meetings on the 12 August 2024, 25 November 2024, 10 March 2025, 12 May 2025, 11 August 2025 and 24 November 2025.

Discussion

4. The links below represent local government related audits which have been completed and published on the OAG website since the November 2025 ARIC meeting.

November 2025

- Report 3: 2025-26 - [Maintaining Regional Local Roads](#)

January 2026

- Report 8: 2025-26 - [Status of Local Government Audits 2025](#)

5. The links below represent non-local government related audits that have been completed and published on the OAG website since the November 2025 ARIC meeting.

December 2025

- Report 2: 2025-26 - [Gold Corporation – Trade Applications](#)
- Report 4: 2025-26 - [WA’s Progress to Implement the National Principles for Child Safe Organisations \(arising from the Royal Commission into Institutional Responses to Child Sexual Abuse\)](#)
- Report 5: 2025-26 - [Valuation of Property Held by the Public Education Endowment Trust](#)
- Report 6: 2025-26 - [State Government 2025 – Financial Audit Results](#)
- Report 7: 2025-26 - [State Government 2025 - Information Systems Audit Results](#)

Consultation

6. Nil.

Decision Implications

7. Nil.

Strategic, Legislative and Policy Implications

Strategy	
Strategic Pillar (Objective)	A Well-Governed City
Related Documents (Issue Specific Strategies and Plans):	Nil.

Legislation, Delegation of Authority and Policy	
Legislation:	<i>Local Government Act 1995</i>
Authority of Council/CEO:	Nil.
Policy:	Nil.

Financial Implications

Nil.

Further Information

8. Nil.

8. Motions of which Previous Notice has been Given

Nil.

9. General Business

Committee Resolution (ARC-26/03-005)

Mover: Independent Member Colin Murphy

Seconded: Councillor Catherine Lezer

That the Audit, Risk and Improvement Committee Meeting close the meeting to the public to discuss the following items:

- 9.1 – Verbal Update – Executive Director in accordance with Section 5.23(4)(a) of the *Local Government Act 1995* as it relates to legal advice, or other information, over which the local government holds legal professional privilege.
- In-camera session with the Audit and Risk Manager in accordance with Section 5.23(4)(e) of the *Local Government Act 1995* as information may be discussed that the making public of which would be likely to endanger the security (including cyber-security) of any of the local government's property or operations.

CARRIED UNOPPOSED (8/0)

For : Lord Mayor Bruce Reynolds; Deputy Lord Mayor David Goncalves; Councillors Catherine Lezer, Liam Gobbert, Raj Doshi, Colin Murphy, Jonathan Seth and Chris Patton

Against : Nil

5:30pm *The meeting was closed to the public*

5:31pm *The Chief Executive Officer disclosed a direct financial interest in Item 9.1 and retired from the meeting accordingly.*

5:31pm *With the exception of the Executive Director, Alliance Manager Council Governance and Policy, Coordinator Council Governance and Policy, all officers retired from the meeting.*

5:35pm *The Deputy Lord Mayor disclosed an impartiality interest in Item 9.1 and departed the meeting.*

9.1 Verbal Update – Executive Director

Committee Resolution (ARC-26/03-006)

Mover: Independent Member Colin Murphy

Seconded: Councillor Catherine Lezer

That the Audit, Risk and Improvement Committee Meeting re-open the meeting to the public.

CARRIED UNOPPOSED (7/0)

For : Lord Mayor Bruce Reynolds; Councillors Catherine Lezer, Liam Gobbert, Raj Doshi, Colin Murphy, Jonathan Seth and Chris Patton

Against : Nil

6:07pm *The meeting re-opened to the public and the Deputy Lord Mayor returned to the meeting.*

10. Items for Consideration at a Future Meeting

Nil.

11. Closure

There being no further business, the Presiding Member declared the meeting closed at 6:08pm.