



Audit, Risk and Improvement Committee Minutes

Monday 28 July 2025



CITY OF BELMONT

Audit, Risk and Improvement Committee

Minutes

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Attachments Index

Attachment 11.2.1 - Item 11.2 refers

Confidential Attachments Index

Confidential Attachment 10.1.1 – Item 10.1 refers
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 Confidential Attachment 11.1.7 - Item 11.1 refers

**Elected Members are reminded to retain their
confidential papers for discussion with the minutes.**

Minutes of the Audit, Risk and Improvement Committee held in the Rivervale Room, City of Belmont Civic Centre, 215 Wright Street, Cloverdale on Monday 28 July 2025 commencing at 6:30pm.

Minutes

Present

Cr C Kulczycki (Presiding Member)	West Ward
Cr G Sekulla (Deputy Presiding Member) (arr. 6:39pm)	Central Ward
Cr J Harris (proxy from 6:30pm to 6:39pm)	Central Ward
Mayor R Rossi JP (Ex Officio)	Mayor
Cr B Ryan	East Ward
Cr J Davis	South Ward
Ms S Zulsdorf	Independent Member

In attendance

Mr W Loh	Acting Chief Executive Officer
Ms D Dabala	Acting Director Corporate and Governance
Mr S Morrison	Acting Director Infrastructure Services
Mr A Bott	Acting Director Development and Communities
Mr J Rechner	Senior Internal Auditor
Mr M Hayward	Manager Design, Assets and Development
Mr D Trengove	Manager Work, Health and Safety
Mr M Smith	Manager Information Technology
Ms K McLauchlan	Acting Manager Finance
Mrs J Cherry-Murphy	Acting Manager Governance and Legal
Mr G Brien	Acting Manager City Facilities and Property

Observers

Cr D Sessions	West Ward
Cr J Harris (from 6:39pm)	Central Ward

1 Official Opening

6:30pm The Presiding Member welcomed all those in attendance and declared the meeting open.

Note: The Presiding Member noted that Cr Harris was acting as Proxy for Cr Sekulla, until Cr Sekulla's arrival.

The Presiding Member read aloud the Acknowledgement of Country.

Acknowledgement of Country

Before I begin, I would like to acknowledge the Whadjuk Noongar people as the Traditional Owners of this land and pay my respects to Elders past, present and emerging.

I further acknowledge their cultural heritage, beliefs, connection and relationship with this land which continues today.

2 Apologies and leave of absence

Mr J Christie (apology)
Mr S Downing (apology)
Mr M Murphy (apology)

Chief Executive Officer
Director Corporate and Governance
Director Infrastructure Services

3 Declarations of interest that might cause a conflict

3.1 Financial interests

Nil.

3.2 Disclosure of interest that may affect impartiality

Nil.

4 Announcements by the Presiding Member (without discussion)

4.1 Announcements

Nil.

4.2 Declarations by Members who have not given due consideration to all matters contained in the business papers presently before the meeting

Nil.

5 Confirmation of Minutes

5.1 Standing Committee (Audit and Risk) Meeting held 19 May 2025

Officer Recommendation

Rossi moved, Ryan seconded

That the Minutes of the Standing Committee (Audit and Risk) Meeting held on 19 May 2025 be confirmed as a true and accurate record.

Carried Unanimously 6 votes to 0

For: Davis, Harris, Kulczycki, Ms Zulsdorf, Rossi and Ryan

Against: Nil

6 Questions by Members on which due notice has been given (without discussion)

Nil.

7 New business of an urgent nature approved by the person presiding or by decision

Nil.

8 Questions by members without notice

Nil.

9 Business adjourned from a previous meeting

Nil.

10 Information items

10.1 Internal Audit Quality Assurance and Improvement Program

An Internal Audit Quality Assurance and Improvement Program Report (Confidential Attachment 10.1.1) has been developed to document the results of internal assessments and to confirm full compliance of the internal audit function with the Global Internal Audit Standards (GIAS) - Standard 12.1.

This report is provided as an information item to the Audit, Risk and Improvement Committee, and questions from Committee Members are welcome.

Attachment details

Attachment No and title	
1.	CONFIDENTIAL - Quality Assurance and Improvement Program Report (Confidential matter in accordance with <i>Local Government Act 1995 (WA)</i> section 5.23(2)(h)) 2025 [10.1.1 - 4 pages]

10.2 Audit Log - Office of the Auditor General and Other Audits

An Audit Log (refer Confidential Attachment 10.2.1) has been developed to capture and report on progress of all recommended actions from previous audit reports as requested by the Standing Committee (Audit and Risk) (now known as Audit, Risk and Improvement Committee).

The Audit Log will be included for information on all Audit, Risk and Improvement Committee Agendas. Questions from Committee Members are welcome.

Attachment details

Attachment No and title
1. CONFIDENTIAL - Audit Log - Office of the Auditor General and other Audits (Confidential Matter in accordance with the <i>Local Government Act 1995 (WA)</i> Section 5.23(2)(f)(ii)) [10.2.1 - 9 pages]

Committee Notes

A series of questions were asked and responded to as follows:

- The replacement of the network infrastructure has been delayed as new technology will be available soon which the City will avail themselves of.
- The backlog of swimming pool barrier inspections has now been completed. There are 23 inspections where inspections were unable to be carried out and formal notice will be given to the property owners that the inspection is overdue.
- The City is constantly reviewing processes, policy and procedures. The City will be implementing a new compliance software. Controlled testing will be underway within the next 3 months and it is anticipated that the new software will be operational by the end of the year.

An additional question was asked and further information will be provided as follows:

- The Senior Internal Auditor undertook to provide Committee Members further information on the 2023 finding regarding risk appetite and risk tolerances.

6:39pm Cr Sekulla joined the meeting and Cr Harris became an observer.

11 Items requiring recommendation to Council

11.1 Internal Audit Report 2025

Voting Requirement	:	Simple Majority
Subject Index	:	19/006
Location/Property Index	:	N/A
Application Index	:	N/A
Disclosure of any Interest	:	Nil
Previous Items	:	N/A
Applicant	:	N/A
Owner	:	N/A
Responsible Division	:	Executive Services

Council role

Executive The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

Purpose of report

To submit seven completed internal audit reports to the Audit, Risk and Improvement Committee. These audits have been completed in accordance with the Council approved 2024-25 internal audit plan.

Summary and key issues

Findings for the completed audits are detailed below.

Infrastructure Services Division – Development Applications Engineering (report issued 7 February 2025)

Good practices observed:

- Appropriate controls in place to ensure Development Application (DA) assessments comply with the engineering approval process and relevant legislation.

This included:

- List of standard development approval conditions maintained to ensure accurate and complete decision making in DA approval conditions.

- Development Control Group (DCG) having a strong Governance framework (i.e. strong representation, Terms of Reference, chair responsibility for determining authority) to ensure appropriate oversight of all DAs.
- Appropriate supervision was undertaken for the Projects sampled.

Planning Services Department monitored and coordinated the clearance of development approval conditions for 'The Point' and 'Wyndham LUX Hotel' projects.

Technical officers conducted project site visits to verify such approval conditions.

Findings:

- Internal audit noted inconsistencies between the 'engineering related development approval conditions' and 'advice notes' documented in the notice of determinations.

Current engineering related 'development approval conditions' and 'advice notes' do not clearly articulate the necessary requirements for submission and satisfaction of each condition. Hence increasing the risk of builders not meeting all legislative requirements.

- Internal audit also noted that the engineering related development approval conditions listed in the notice of determinations sampled were not in sequential order in relation to the projects' key stages.

Development and Communities Division – Structure Plans (report issued 19 March 2025)

Good practices observed:

- Coordinator Planning Projects is required to ensure that City-led Structure Plans are prepared in accordance with the Guidance Requirements. Additionally, the Coordinator Planning Projects prepares a detailed assessment table for applicant-led Structure Plans to determine compliance against the guidance requirements.
- Strong internal controls are in place (i.e. multiple approvals required) to ensure Regulation compliance.
- Regulations require specific processes to be followed within specific timeframes.
- Regulations require specific documents to accompany the Structure Plan (i.e. advertising details, consultation summary, Recommendation Report etc.) prior to submission to WA Planning Commission.

Findings:

- Internal audit noted the Coordinator Planning Projects structure plan assessment is not independently approved prior to the assessment results being issued, nor registered in the City's record management system.
- Internal audit also noted that core processes are not documented as standardised procedures.

Corporate and Governance Division – Regulation 5 Internal Audit Review (report issued 31 January 2025)

Good practices observed:

- Finance Function appears to be well organised with documented processes which set clear expectations.
- Policy was noted as being regularly reviewed.
- Adjusting journals are prepared and authorised independently on a timely basis.
- There is a reconciliation register to provide oversight of key reconciliations performed.
- Delegations within FinanceOne are aligned with documented delegations for purchase order authorisation.
- The Long-Term Financial Plan is current.
- Segregation of duties were noted throughout the processes reviewed.

Findings:

- From a sample of 10 procurement processes, the following were noted:
 - for sample 3 the first invoice date preceded the purchase order date.
 - for samples 4 and 6, the proposer with the marginally lowest evaluation score was appointed, but there was no clear explanation as to why this is the case and the benefits of the preferred respondent over the others.
 - From a sample of 9 credit card acquittals tested, 1 sample was noted as being performed more than 15 days after the period end, which is the timeframe required by Policy Item 3(d). It was also noted that the date of review was not documented in 1 instance. Although there is currently no formal system in place for the acquittal of credit cards in CI Anywhere (CiA), the approval process for the acquittal of credit cards is being performed manually within an excel spreadsheet, which is inefficient and may lead to errors.

Corporate and Governance Division – Regulation 17 Internal Audit Review (report issued 31 March 2025)

Good practices observed:

- The City has a comprehensive Risk Management Framework aligned with ISO 31000:2018 to ensure effective identification, monitoring, and treatment of risks.
- The City has a comprehensive Business Continuity Plan (BCP) aligned with ISO 22301:2019 standards.
- The City's Fraud Control Plan is comprehensive and aligns with best practice guidance from the Public Sector Commission (PSC), Office of the Auditor General (OAG), and AS 8001-2008.
- Governance mechanisms, such as Codes of Conduct for employees and elected members, are well established and comply with the *Local Government Act 1995 (WA)*. The Codes set clear standards for ethical behaviour, and employees formally acknowledge their understanding through signed declarations maintained by the People & Culture Department.
- The delegation of authority framework is annually reviewed and financial delegations are reflected accurately in the accounting system, supported by effective segregation of duties and oversight.
- A structured compliance framework integrates legal obligations into operations, supported by robust tracking tools, statutory lodgements, and transparent complaint management processes.

Findings:

- CP38 – Risk Management Policy and Risk Management Plan documents are in place and were last reviewed August 2023 (Risk Management Policy) and January 2022 (Risk Management Plan) as consistent with the Council policy review cycle (2 yearly) and the corporate document review cycle (3 yearly), respectively.
- Risk Management Plan refers to two future actions – being Risk Management Training and Risk Management Software review - to be performed and which will be captured in the next operational document review due in 2025.
- The date that a risk was last reviewed is documented within the risk register. These were analysed and the typographical errors which indicated that one last review date was September 2023 and another which did not contain a last reviewed date, when they are current, have been corrected in the master risk register.
- The following documents are currently being reviewed and updated:
 - Fraud Control Plan.
 - Employee Code of Conduct.
 - Asset Management Strategy 2021-2025.

Infrastructure Services Division – Construction Contract – Chiller unit replacement (report issued 24 April 2025)

Good practices observed:

- Chiller Unit Replacement contract was well managed and completed within the approved budget, with Practical Completion achieved on 01 July 2024.
- Contract Administrator conducted daily site visits to ensure that worksite practices complied with WorkSafe guidelines and maintained quality standards.
- City Facilities effectively coordinated planning for downtime to minimise disruption and scheduling of temporary cooling for the Civic Centre Administration building.

Findings:

- Risk register identified a financial viability risk. Internal audit noted that no financial assessment was undertaken prior to the contract being awarded.

Corporate and Governance Division – Procurement and Expenditure Cycle (report issued 4 June 2025)

Good practices observed:

- Comprehensive policies and procedures in place.
- Sound controls around the release of purchase orders and variations.
- Segregation of duties in place between:
 - the raising and approval of purchase requisitions; and
 - the approving, inputting and posting of invoices.
- Procurement Team reviews open purchase orders on a quarterly basis. Any possible inactive/completed orders are identified and communicated to the responsible officer. Once confirmed all goods/services have been received, the open purchase order is then closed.

Findings:

- Internal audit noted a number of Technology One permission setting that require updating. The most significant being: System Administrators, Finance Officer Revenue, and Financial Accountant being able to modify vendor bank account details.
- Procurement maintains a late purchase order report to identify any purchase orders raised after the invoice date. Hence, there is the risk of officers not following correct procurement process. Of the 3799 purchase orders raised between July 2024 and January 2025, internal audit identified 271 instances (7.13%) that require review and investigation. However, it should be noted that some of these exceptions may relate to 'emergency type' or 'exemption type' purchases and therefore will not relate to non-compliances.

- Internal audit noted that the Systems Accountant performs the following functions:
 - System Admin – hence can modify vendor bank accounts.
 - In the absence of the Financial Accountant, can review, cross-check and approve all first-time vendor payments and changes to vendor bank accounts.
 - Is one of the authorised officers involved in the two-officer approval requirement for electronic fund transfers (EFTs).

Without appropriate segregation of duties, there is the risk of an unauthorised change to a vendor bank account prior to payment processing, hence resulting in misappropriation of funds.

Executive Services Division – Work Health and Safety Legislation Compliance (report issued 9 June 2025)

Good practices observed:

- Work Health and Safety Policy demonstrates the City's commitment towards ensuring that all workers have safe workplace conditions that minimise the risk of injury or illness. Internal audit confirms the policy is:
 - current and effective in addressing emerging WHS risks.
 - materially aligned to the *Work Health and Safety Act 2020 (WA)* (WHS Act 2020).
- Safety Management Plan (SMP) applies to all City activities, services, and workplaces, aiming to protect the health, safety, and wellbeing of staff, volunteers, contractors, visitors, and other interested parties. Internal audit confirms the SMP is:
 - current and effective in addressing emerging WHS risks and challenges.
 - materially aligned to the WHS Act 2020.
- RAPID Global Software provide WHS team with better oversight of contractor compliance whilst also ensuring a more efficient and user-friendly online experience for contractors.

Findings:

- Internal audit noted that there was a lack of effective controls in place to ensure:
 - Low value contractors (i.e. \$50,000 or less):
 - Are registered in RAPID Contractor Management.
 - Have the required key documents.
 - All contractors:
 - have completed online induction (via RAPID Induct) prior to commencing any high-risk-type work.

- From a sample of 10 on-site inspection reports on contractors engaged in high-risk work, internal audit identified two instances where the contractor had not completed online Work Health and Safety induction.

Officer Recommendation

Sekulla moved, Rossi seconded

That the Audit, Risk and Improvement Committee accepts the seven internal audit reports from the Senior Internal Auditor (Confidential Attachments 11.1.1, 11.1.2, 11.1.3, 11.1.4, 11.1.5, 11.1.6 and 11.1.7) and recommends that Council:

1. Receives the report (Confidential Attachment 11.1.1) titled Internal Audit Development Applications Engineering.
2. Receives the report (Confidential Attachment 11.1.2) titled Internal Audit Structure Plans.
3. Receives the report (Confidential Attachment 11.1.3) titled Regulation 5 Internal Audit Review.
4. Receives the report (Confidential Attachment 11.1.4) titled Regulation 17 Internal Audit Review.
5. Receives the report (Confidential Attachment 11.1.5) titled Internal Audit Construction Contract – Chiller unit replacement.
6. Receives the report (Confidential Attachment 11.1.6) titled Internal Audit Procurement and Expenditure Cycle.
7. Receives the report (Confidential Attachment 11.1.7) titled Internal Audit Work Health and Safety Legislation Compliance.
8. Notes the City of Belmont management comments in Confidential Attachments 11.1.1, 11.1.2, 11.1.3, 11.1.4, 11.1.5, 11.1.6 and 11.1.7 and actions to be undertaken in response to the internal audit recommendations.

Carried Unanimously 6 votes to 0

For: Davis, Kulczycki, Ms Zulsdorf, Rossi, Ryan and Sekulla

Against: Nil

Committee Notes

Refer to Confidential Minutes.

Location

Not applicable.

Consultation

All draft internal audit reports were reviewed by relevant staff, Managers, Directors and the CEO before being issued for action.

Strategic Community Plan implications

In accordance with the 2024–2034 Strategic Community Plan:

Key Performance Area: Performance

Outcome: 10. Effective leadership, governance and financial management.

Policy implications

There are no policy implications associated with this report.

Statutory environment

Local Government Act 1995 (WA)

7.1A. Audit committee

- (1) A local government is to establish an audit committee of 3 or more persons to exercise the powers and discharge the duties conferred on it.

Local Government (Audit) Regulations 1996 (WA)

16. Functions of audit committee

An audit committee has the following functions —

- (a) to guide and assist the local government in carrying out —
 - (i) its functions under Part 6 of the Act; and
 - (ii) its functions relating to other audits and other matters related to financial management.
- (b) to guide and assist the local government in carrying out the local government's functions in relation to audits conducted under Part 7 of the Act;

- (c) to review a report given to it by the CEO under regulation 17(3) (the CEO's report) and is to —
 - (i) report to the council the results of that review; and
 - (ii) give a copy of the CEO's report to the council.
- (d) to monitor and advise the CEO when the CEO is carrying out functions in relation to a review under —
 - (i) regulation 17(1); and
 - (ii) the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- (e) to support the auditor of the local government to conduct an audit and carry out the auditor's other duties under the Act in respect of the local government;
- (f) to oversee the implementation of any action that the local government —
 - (i) is required to take by section 7.12A(3); and
 - (ii) has stated it has taken or intends to take in a report prepared under section 7.12A(4)(a); and
 - (iii) has accepted should be taken following receipt of a report of a review conducted under regulation 17(1); and
 - (iv) has accepted should be taken following receipt of a report of a review conducted under the Local Government (Financial Management) Regulations 1996 regulation 5(2)(c);
- (g) to perform any other function conferred on the audit committee by these regulations or another written law.

[Regulation 16 inserted: Gazette 26 Jun 2018 p. 2386-7.]

17. CEO to review certain systems and procedures

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to —
 - (a) risk management; and
 - (b) internal control; and
 - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in sub regulation (1)(a), (b) and (c), but each of those matters is to be the subject of a review not less than once in every 3 financial years.
- (3) The CEO is to report to the audit committee the results of that review.

[Regulation 17 inserted: Gazette 8 Feb 2013 p. 868; amended: Gazette 26 Jun 2018 p. 2387.]

Local Government (Financial Management) Regulations 1996 (WA)

(2) CEO's duties as to financial management

- (c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

Background

The internal audit function operates in accordance with Council approved Terms of reference (TOR) and Council approved annual internal audit plans.

The TOR requires the Senior Internal Auditor to be functionally accountable to the CEO and Council via the Audit, Risk and Improvement Committee

The TOR also requires final engagement audit reports to be issued to the CEO and Council via the Audit, Risk and Improvement Committee.

Report

Infrastructure Services Division – Development Applications Engineering (report issued 7 February 2025)

The audit objectives were:

- To determine if appropriate controls are in place to ensure development application assessments comply with the engineering approval process and key sections of legislation.
- To determine if appropriate supervision is undertaken for major development works.

Scope included:

- Assessment of the first and second lines of defence (i.e. internal controls in place to mitigate inherent risks as identified from the engagement risk assessment).
- Key sections of legislation.

Findings and Management Responses

- Internal audit noted inconsistencies between the 'engineering related development approval conditions' and 'advice notes' documented in the notice of determinations.

Current engineering related 'development approval conditions' and 'advice notes' do not clearly articulate the necessary requirements for submission

and satisfaction of each condition. Hence increasing the risk of builders not meeting all legislative requirements.

Management has agreed to review all engineering related development approval conditions in consultation with Planning Services to ensure the use of contemporary terminology and to clearly articulate the necessary requirements for submission and compliance with each condition.

- Internal audit also noted that the engineering related development approval conditions listed in the notice of determinations sampled were not in sequential order in relation to the project key stages.

Management has agreed to make changes to the notice of determination by listing the development approval conditions sequentially.

Development and Communities Division – Structure Plans (report issued 19 March 2025)

The audit objective was:

- Determine compliance with the *Planning and Development (Local Planning Scheme) Regulation 2015 (WA) (Regulations)*.
- Determine if the process for structure plan development, consultation, and approval is efficient and effective.

Scope included:

- Regulation compliance limited to *Schedule 2 – Deemed provisions for local planning scheme, Part 4 – Structure Plans, Section 15 to Section 29*.
- Review of Ascot Racecourse Precinct Structure Plan and Golden Gateway Local Structure Plan.

Findings and Management Responses

- Internal audit noted the Coordinator Planning Projects structure plan assessment is not independently approved prior to the assessment results being issued, nor registered in the City's record management system (ECM).

Management has agreed for working paper and assessment table to be independently reviewed by Manager Planning Services prior to assessment results being issued. Management has also agreed for such documents to be registered in ECM.

- Internal audit also noted that core processes are not documented as standardised procedures.

Management has agreed for processes to be documented as a high-level process map and/or detailed work instruction.

Corporate and Governance Division – Regulation 5 Internal Audit Review (report issued 31 January 2025)

Paxon were engaged to perform the Financial Management Review on the CEO's behalf. Regulation 5(2)(c) of the *Local Government (Financial Management) Regulations 1996 (WA)* states:

The CEO is to –

- Undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

Scope included:

- Proper collection of all moneys owing to the local government.
- Safe custody and security of all money collected or held by the local government.
- Maintenance and security of the financial records of the local government (whether maintained in written form or by electronic or other means or process).
- Ensure proper accounting for all income, expenditure, assets, liabilities of the municipal or trust funds.
- Ensure proper authorisation of the incurring of liabilities and the making of payments.
- Maintenance of payroll, stock control and costing records.
- Preparation of budgets, budget reviews, accounts and reports required by the Act of these regulations.

Findings and Management Responses

- From a sample of 10 procurement processes, the following were noted:
 - for sample 3 the first invoice date preceded the purchase order date.
 - for samples 4 and 6, the proposer with the marginally lowest evaluation score was appointed, but there was no clear explanation as to why this is the case and the benefits of the preferred respondent over the others.

Management has agreed to recommunicate the importance of raising purchase orders in advance of services being delivered. The evaluation scorecard currently documents the reasoning for the selection of the preferred respondent. Therefore, the procurement team will continue to encourage a sufficient explanation is provided.

- From a sample of 9 credit card acquittals tested, 1 sample was noted as being performed more than 15 days after the period end, which is the

timeframe required by Policy Item 3(d). It was also noted that the date of review was not documented in 1 instance.

- There is currently no formal system in place for the acquittal of credit cards in CiA. The approval process for the acquittal of credit cards is being performed manually within an excel spreadsheet, which is inefficient and may lead to errors.
- Management has agreed to communicate the importance of timely acquittals to credit card holders.

As a point of clarification, while there is a process in place to approve credit cards, there is no system with in-built approval workflows as credit card acquittals are entered in CiA. While the suggestion of implementing a system for the acquittal of credit cards is noted, the City does not believe that cost of implementation is worthwhile given the City has only 6 corporate cards with no plans to increase. The City is also of the opinion that current processes provide an effective control of the use of credit cards.

Corporate and Governance Division – Regulation 17 Internal Audit Review (report issued 31 March 2025)

The audit objective of Paxon's Regulation 17 review was to provide a report to assist the CEO in reporting to the Audit, Risk and Improvement Committee on the appropriateness and effectiveness of the City's systems and procedures in relation to risk management, internal control and legislative compliance.

Regulation 17 of the *Local Government (Audit) Regulation 1996 (WA)* states:

- The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to –
 - risk management; and
 - internal control; and
 - legislative compliance.
- The review may relate to any or all of the matters referred to in sub-regulation(1)(a), (b) and (c), but each of these matters is to be the subject of a review not less than once in every 3 financial years.
- The CEO is to report to the audit committee the results of that review.

Scope included:

- risk management.
- internal control.
- legislative compliance.

Findings and Management Responses

- CP38 – Risk Management Policy and Risk Management Plan documents are in place and were last reviewed August 2023 (Risk Management Policy) and January 2022 (Risk Management Plan) as consistent with the Council policy review cycle (2 yearly) and the corporate document review cycle (3 yearly), respectively.
- Risk Management Plan refers to two future actions – being Risk Management Training and Risk Management Software review - to be performed and which will be captured in the next operational document review due in 2025.
- The date that a risk was last reviewed is documented within the risk register. These were analysed and the typographical errors which indicated that one last review date was September 2023 and another which did not contain a last reviewed date, when they are current, have been corrected in the master risk register.

Management noted corporate documents are reviewed every three years.

- The following documents are currently being reviewed and updated:
 - Fraud Control Plan.
 - Employee Code of Conduct.
 - Asset Management Strategy 2021-2025.

Management noted that review of the Fraud and Control Plan and Employee Code of Conduct are in progress.

Review of the Asset Management Strategy is being undertaken including an Asset Management Maturity Audit and is due to be completed this financial year.

Infrastructure Services Division – Construction Contract – Chiller unit replacement (report issued 24 April 2025)

The audit objective was to determine if tender and contract management processes:

- are efficient, effective and compliant.
- cover material contract requirements including scope of work, quality control and agreed timeframes.
- cover non-specific contract requirements including contractor financial viability, environmental impact and Work Health and Safety (WHS) compliance.

Scope was limited to the chiller unit replacement contract (Tender 04/2023).

Assessment of tender and contract management compliance was limited to:

- Purchasing Policy – CP29, dated 17/12/24.
- Contract Management System Procedure - SP23, dated 29/01/25.
- Management of Contract Variations System Procedure – SP24, dated 17/01/25.
- Delegation Register 2024-25.

Findings and Management Responses

- Risk register identified a financial viability risk. Internal audit noted that no financial assessment was undertaken prior to the contract being awarded.

Management has agreed to update the following documents:

- Work Instruction – Tenders.
- Contract Management – SP23.

Corporate and Governance Division – Procurement and Expenditure Cycle (report issued 4 June 2025)

The audit objective was to:

- determine if appropriate controls are in place for procurement and expenditure.
- determine compliance with policy and procedures.

Scope covered procurement and expenditure from 1 July 2024 to 31 January 2025 and included:

- Policy and procedures.
- Controls around the release of purchase orders.
- Controls around variations.
- Delegation of Authority.
- Control of user permissions within Technology One.
- Segregation of duties.
- Exception Reporting (creditor turnover report, late purchase order report).

Findings and Management Responses

- Internal audit noted a number of Technology One permission settings that require updating. The most significant being: System Administrators, Finance Officer Revenue, and Financial Accountant being able to modify vendor bank account details.

Management has agreed to amend such permission settings.

- Procurement maintains a late purchase order report to identify any purchase orders raised after the invoice date. Hence, there is the risk of officers not following correct procurement process. Of the 3799 purchase orders raised between July 2024 and January 2025, internal audit identified 271 instances (7.13%) that require review and investigation. However, it should be noted that some of these exceptions may relate to 'emergency type' or 'exemption type' purchases and therefore will not relate to non-compliances.

Management has developed a 'Late Orders' report in CiA. Management has agreed to provide this report to managers monthly to raise with their teams. For all instances to January 2025, this listing will be provided to internal audit for review once included in the 2025-26 internal audit plan.

- Internal audit noted that the Systems Accountant performs the following functions:
 - System Admin – hence can modify vendor bank accounts.
 - In the absence of the Financial Accountant, can review, cross-check and approve all first-time vendor payments and changes to vendor bank accounts.
 - Is one of the authorised officers involved in the two-officera pproval requirement for electronic fund transfers (EFTs).

Without appropriate segregation of duties, there is the risk of an unauthorised change to a vendor bank account prior to payment processing, hence resulting in misappropriation of funds.

In the absence of the Financial Accountant, management has agreed for approval of first time vendor payments and changes to vendor bank accounts to be performed by the Manager Finance.

Executive Services Division – Work Health and Safety Legislation Compliance (report issued 9 June 2025)

The audit objective was to:

- determine if the City's Work Health and Safety Framework (WHS Framework) is aligned to the WHS Act 2020.
- determine if appropriate procedures are in place to ensure compliance with the Framework.

- determine if appropriate controls are in place to protect contractors involved in high-risk on-site work.
- determine if the WHS software is functioning efficiently and effectively.
- determine compliance with ISO 45001 OH&S.

Scope covered:

- Key areas of the WHS Framework.
- Contractors involved in high-risk on-site work.
- WHS procedures.
- WHS software functionality.

Note – LGIS Mutual Services performed an independent audit to determine compliance with ISO 45001 OH&S in April 2025. Therefore, compliance with ISO 45001 OH&S Management Systems was excluded from scope.

Findings and Management Responses

- Internal audit noted that there was a lack of effective controls in place to ensure:
 - Low value contractors (i.e. \$50,000 or less):
 - are registered in RAPID Contractor Management.
 - have the required key documents.
 - All contractors:
 - have completed online induction (via RAPID Induct) prior to commencing any high-risk-type work.

Management has agreed to:

- Obtain access to a report to:
 - Periodically reconcile all contractor records with RAPID Contractor registration.
 - Conduct risk-based sample checks of key documents within RAPID Contractor to determine compliance.
 - Review and improve the effectiveness of the current process for identifying contractors engaged in high-risk work, regardless of the contract value.
- From a sample of 10 on-site inspection reports on contractors engaged in high-risk work, internal audit identified two instances where the contractor had not completed online Work Health and Safety induction.

Management has agreed:

- WHS team to ensure 2nd line defence inspection schedule is completed and Contract Administrators to complete 1st line defence inspections for all contractors currently undertaking high-risk work at the earliest opportunity.
- WHS to publish news on BelNet to increase staff awareness of the requirement for contractors performing high-risk type work to complete online WHS induction.
- WHS to continue risk-based sampling checks on contractors performing high-risk type work.

Financial implications

There are no financial implications evident at this time.

Environmental implications

There are no environmental implications associated with this report.

Social implications

There are no social implications associated with this report.

Attachment details

Attachment No and title	
1.	CONFIDENTIAL - 1. Internal Audit 2024 - Audit Report (Development Applications - Engineering) (Confidential matter in accordance with Local Government Act 1995 (WA) section 5.23(2)(h)) [11.1.1 - 8 pages]
2.	CONFIDENTIAL - 2. Internal Audit 2025 - Audit Report (Structure Plans) - (Confidential matter in accordance with Local Government Act 1995 (WA) section 5.23(2)(h)) [11.1.2 - 8 pages]
3.	CONFIDENTIAL - 3. Internal Audit 2025 - Audit Report (Regulation 5) (Confidential matter in accordance with Local Government Act 1995 (WA) section 5.23(2)(h)) [11.1.3 - 9 pages]
4.	CONFIDENTIAL - 4. Internal Audit 2025 - Audit Report (Regulation 17) (Confidential matter in accordance with Local Government Act 1995 (WA) section 5.23(2)(h)) [11.1.4 - 9 pages]
5.	CONFIDENTIAL - 5. Internal Audit 2025 - Audit Report (Chiller Unit Replacement) (Confidential matter in accordance with Local Government Act 1995 (WA) section 5.23(2)(h)) [11.1.5 - 10 pages]
6.	CONFIDENTIAL - 6. Internal Audit 2025 - Audit Report (Procurement and Expenditure Cycle) (Confidential matter in accordance with Local Government Act 1995 (WA) section 5.23(2)(h)) [11.1.6 - 8 pages]
7.	CONFIDENTIAL - 7. Internal Audit 2025 - Audit Report (WHS Legislation Compliance) (Confidential matter in accordance with Local Government Act 1995 (WA) section 5.23(2)(h)) [11.1.7 - 9 pages]

11.2 2025-26 Consolidated Assurance Map

Voting Requirement	:	Simple Majority
Subject Index	:	19/003 Audit, Risk and Improvement Committee
Location/Property Index	:	N/A
Application Index	:	N/A
Disclosure of any Interest	:	Nil
Previous Items	:	Item 12.2 OCM 10 December 2024
Applicant	:	N/A
Owner	:	N/A
Responsible Division	:	Executive Services

Council role

Executive The substantial direction setting and oversight role of the Council e.g. adopting plans and reports, accepting tenders, directing operations, setting and amending budgets.

Purpose of report

To submit the 2025–26 Consolidated Assurance Map to the Audit, Risk and Improvement Committee for endorsement and recommendation to Council. Refer Attachment 11.2.1.

Summary and key issues

A consolidated assurance map is submitted to the Audit, Risk and Improvement Committee and Council annually.

The Institute of Internal Auditors defined an assurance map as “a high level document that identifies the holistic risk coverage across the organisation by a range of assurance providers. It helps to identify gaps and duplication of assurance coverage.”

Officer Recommendation

Rossi moved, Ms Zulsdorf seconded

That the Audit, Risk and Improvement Committee recommends the 2025–26 Consolidated Assurance Map at Attachment 11.2.1, be received by Council.

Carried Unanimously 6 votes to 0

For: Davis, Kulczycki, Ms Zulsdorf, Rossi, Ryan and Sekulla

Against: Nil

Location

Not applicable.

Consultation

Assurance providers have advised timing of assurance activities.

Strategic Community Plan implications

In accordance with the 2024–2034 Strategic Community Plan:

Key Performance Area: Performance

Outcome: 10. Effective leadership, governance and financial management.

Policy implications

There are no policy implications associated with this report.

Statutory environment

Section 7.2 of the *Local Government Act 1995 (WA)* requires annual financial audits.

Regulation 14 of the *Local Government (Audit) Regulations 1996 (WA)* requires that a compliance audit for the period 1 January to 31 December is completed each year in a form approved by the Minister.

Regulation 17 of the *Local Government (Audit) Regulations 1996 (WA)* states the following:

17. CEO to review certain systems and procedures.

- (1) The CEO is to review the appropriateness and effectiveness of a local government's systems and procedures in relation to:
 - (a) risk management; and
 - (b) internal control; and
 - (c) legislative compliance.
- (2) The review may relate to any or all of the matters referred to in subregulation (1)(a), (b) and (c), but each of these matters is to be the subject of a review not less than once in every 3 financial years.
- (3) The CEO is to report to the audit committee the results of that review.

Regulation 5(2) of the *Local Government (Financial Management) Regulations 1996 (WA)* states the following:

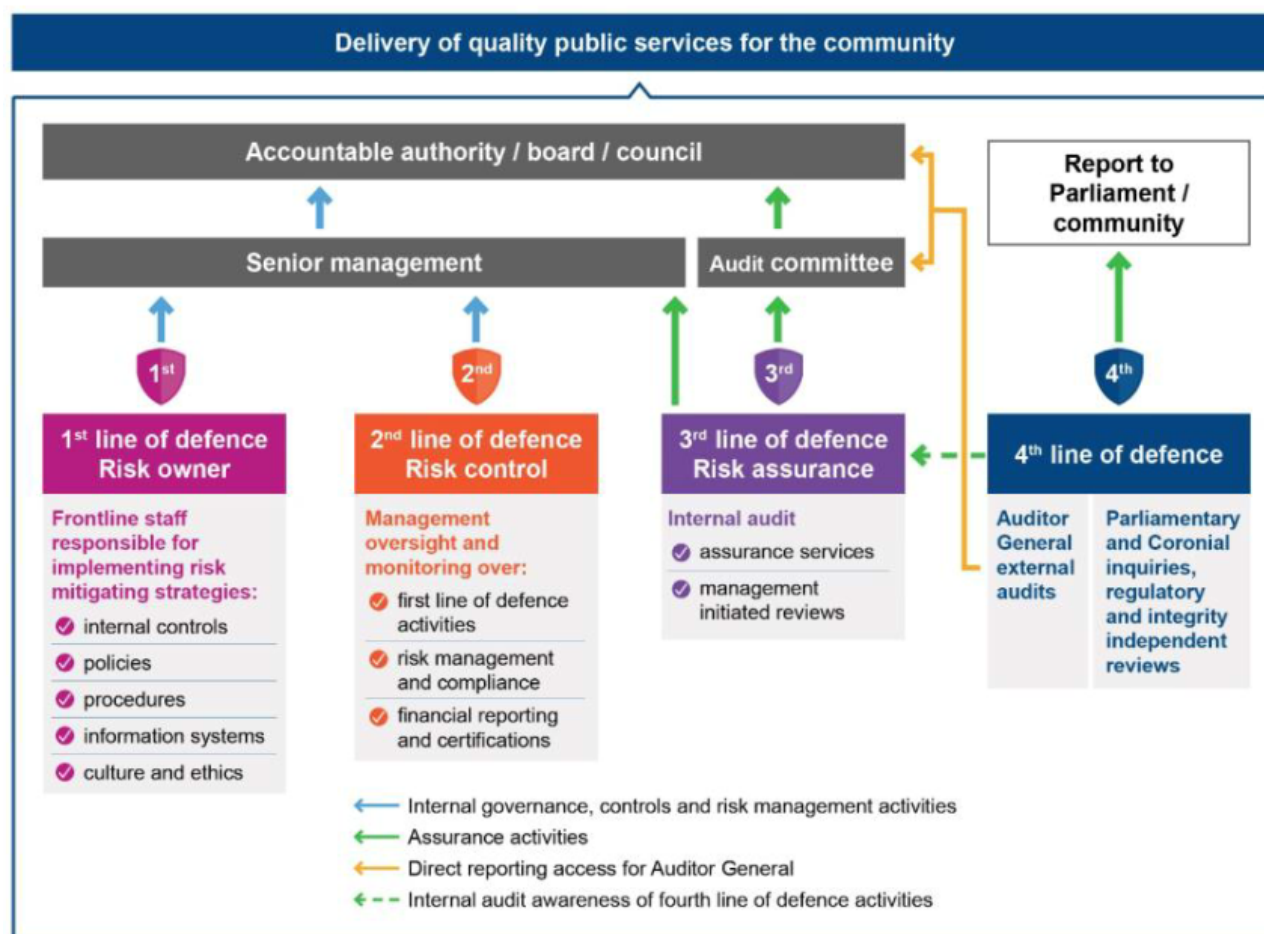
- (2) The CEO is to:
 - (a) ensure that the resources of the local government are effectively and efficiently managed; and
 - (b) assist the council to undertake reviews of fees and charges regularly (and not less than once in every financial year); and
 - (c) undertake reviews of the appropriateness and effectiveness of the financial management systems and procedures of the local government regularly (and not less than once in every 3 financial years) and report to the local government the results of those reviews.

In addition, under the International Standard ISO 9001:2015, Quality Management Systems, the City is required to conduct an annual program of internal and external audits to maintain certification of ISO Standards.

Background

The 2025–26 Consolidated Assurance Map (refer Attachment 11.2.1) provides an overview of the audits and reviews planned for financial year 2025-26 and is presented to the Audit, Risk and Improvement Committee for endorsement and recommendation to Council.

Referencing in the Consolidated Assurance Map reflects the WA Public Sector Audit Committees – Better Practice Guide, issued by the Office of the Auditor General (25 June 2020) “Lines of Defence Model” as shown in Figure 1 below.



Source: OAG

Report

The 2025–26 Consolidated Assurance Map gives Council oversight of the scope and focus of assurance activities for financial year 2025–26.

Assurance drivers are requirements for:

- Internal control and legislative compliance.
- Statutory external audit requirements.
- External certifications of Quality, Environmental and Occupational Health & Safety management systems.
- The need to support the City’s chosen governance approach.
- The requirement to provide a comprehensive solution that can be undertaken with existing resources.

There are a number of focus audits that any area of the City could be subject to each year. These could be conducted as internal audits or reviews, operational comparison reports, or by external third parties, the Department of Local Government, Sport and Culture Industries, the Corruption and Crime

Commission, Public Sector Commission or the Western Australian Office of the Auditor General. As these audits are carried out as required, they are not identified on the Consolidated Assurance Map.

Financial implications

There are no financial implications evident at this time.

Environmental implications

There are no environmental implications associated with this report.

Social implications

There are no social implications associated with this report.

Attachment details

Attachment No and title	
1.	2025 - 2026 Consolidated Assurance Map [11.2.1 - 1 page]

City of Belmont
2025- 2026 - Consolidated Assurance Map

	2025 - 2026 FINANCIAL YEAR											
	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun
Organisational Reviews												
Line Staff and Management	MGT											
BMS Review	BMS											
System Procedures	SP											
Corporate & Governance							CAR	CAR			ISO	
Public Relations and Stakeholder Engagement			IA (MAC)				CAR	CAR			ISO	
Finance				OAG	OAG		IA (POR)	CAR		OAG	ISO	
Governance, Strategy and Risk					IA (GAC)	IA (BCR)	CAR	CAR			ISO	
Information Technology	IA (PID)	OAG					CAR	CAR		IA (AGC)	ISO	
Development & Communities							CAR	CAR			ISO	
Economic and Community Development		IA (EDP)					CAR	CAR	IA (CCP)		ISO	
Library, Culture and Place							CAR	CAR			ISO	
Planning Services							CAR	CAR			ISO	
Safer Communities				IA (SRA)			CAR	CAR			ISO	
Executive Services							CAR	CAR			ISO	
People and Culture							CAR	IA (PSR)			ISO	
Work Health and Safety							CAR	CAR			ISO	
Infrastructure Services							CAR	CAR			ISO	
City Facilities and Property							CAR	CAR			ISO	
City Projects	IA (CCAO)						CAR	CAR	IA (CCAW)		ISO	
Design, Assets and Development					IA (AMDR)		CAR	CAR			ISO	
Parks, Leisure and Environment		IA (PAM)					CAR	CAR			ISO	IA (WHS)
Works						IA (MFP)	CAR	CAR			ISO	

Legend		IA Reference	Audit Name
1st line of defence - Risk and Control Owner		PID	Performance Indicators Development
MGT	Line Staff and Management	CCAO	Construction Contract Audit-Ornamental Lakes
2nd line of defence		EDP	Economic Development Programs
CAR	Statutory Compliance Audit Return	PAM	Parks - Asset Management & Maintenance
BMS	Business Management System Review	MAC	Marketing & Communications
SP	System Procedures	SRA	Surveillance & Ranger Activities
3rd line of defence		GAC	Governance & Compliance
IA	Internal Audit	AMDR	Asset Management - Drains & Roads
4th line of defence		BCR	Business Continuity & Risk
OAG	Office of the Auditor General (OAG) - Financial Audit	MFP	Management of Fleet & Plant
ISO	ISO Quality, OH&S & Environmental Standards Audit	POR	POs Raised After Invoice Date
		PSR	Payroll System Reliability
		CCP	Community & Culture Programs
		CCAW	Construction Contract Audit-Wilson Park
		AGC	Application & General Controls
		WHS	Parks - Work Health & Safety

Note 1. OAG Operational Comparison audits are not identified on the Assurance Map as they are carried out by OAG as determined.

Note 2. OAG Interim Audit in April 2026 is to be confirmed .

12 Next Meeting

The next meeting of the Audit, Risk and Improvement Committee will be held on Monday, 17 November 2025 commencing at 6:30pm.

13 Closure

There being no further business, the Presiding Member thanked everyone for their attendance and closed the meeting at 7:01pm.