Audit, Risk and Improvement Committee

UNCONFIRMED MINUTES

Tuesday 1 September 2026

INDEX

1. Official Opening

The Presiding Member opened the meeting at 5:00 pm and welcomed Councillors, Staff, Members of the Public Gallery and those watching via live stream. The Presiding Member also acknowledged the Traditional Owners of the land on which we meet the Whadjuk Noongar people.

2. Attendance, Apologies and Leave of Absence Previously Approved

External Committee Members
Desmond Roche (Presiding Officer)
Peter Halliday
Mayor
Margaret Thomas JP
Councillors
South West Ward
Brooke O'Donnell arrived at 5:18 pm
North West Ward
Lisa Cooper
North Ward
Kathy Ritchie
South East Ward
David Modolo

Members of Staff
A/Chief Executive Officer
Luke Ellis
Executive Team
Gary Ticehurst – Director Corporate
Nathan Ritchie – Director Development
Amanda Widjaja – A/Director Infrastructure
Management Team
Rhonda Bowman – Manager Governance
Governance Team
David Baker – Senior Governance Officer
Administration Team
Molly Rogers-Thomson – Executive Officer
Kristie Dargie – A/Executive Assistant

External Guests Nil

Members of the Public Nil

Members of the Press Nil

Apologies
Cr Brooke O'Donnell (arrived at 5:18 pm and joined the meeting)

Leave of Absence Previously Approved Nil

3. Confirmation of Minutes from Previous Meeting

3.1 That the Minutes of the Audit, Risk and Improvement Committee Meeting held on 19 May 2026, as published and circulated, are confirmed as a true and accurate record of the proceedings.

Moved: **Cr Kathy Ritchie**

Seconded: **Mayor Margaret Thomas**

Vote: For: **Mayor Margaret Thomas, Cr Lisa Cooper, Cr Kathy Ritchie, Cr David Modolo, Mr Peter Halliday**

Against: **Nil**

CARRIED UNANIMOUSLY (5/0)

Statement by Presiding Member
"On the basis of the above Motion, I now sign the Minutes as a true and accurate record of the Audit, Risk and Improvement Committee meeting of 19 May 2026."

4. Announcements by the Member Presiding Without Discussion

4.1 Nil

5. Matters for Which the Meeting may be Closed

5.1 7.1.2 Strategic Risk Register
Confidential Attachment
1. Strategic Risk Register

Reason for Confidentiality: *"Information the making public of which would be likely to endanger the security (including cybersecurity) of any of the local governments property or operations" [Act s.5.23(4)(e)]*

6. Disclosure of Interest

6.1 Nil

7. Reports to Council

7.1 Office of the CEO Reports

7.1.1. 2025 Compliance Audit Return

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

Previous Items	N/A
Directorate	Office of the CEO
Business Unit	Governance
File Reference	N/A
Applicant	N/A
Owner	N/A
Voting Requirements	**Simple Majority**
Attachments	1. 2025 Compliance Audit Return [**7.1.1.1** - 14 pages]

TYPE OF REPORT

Executive

When Council is undertaking its substantive role of direction setting and oversight (e.g. accepting tenders, adopting plans, policies and budgets)

EXECUTIVE SUMMARY

1. Local governments are required to complete a Compliance Audit Return by

   31 March in each year, for the previous years' activity. For 2025, the Local Government Inspector postponed this requirement until 30 September 2026 due to the commencement of the Local Government Inspector's operations and the final part of the *Local Government Amendment Act 2024*.

2. The Compliance Audit Return in the form prescribed has been undertaken and is attached to this report. One finding of non-compliance is identified.

3. It is recommended Council endorse the Compliance Audit Return for 2025 for submission to the Local Government Inspector prior to 30 September 2026.

OFFICER RECOMMENDATION

That Council:

1. ADOPT the 2025 Compliance Audit Return; and

2. NOTE the 2025 Compliance Audit Return, as attached to this report, will be subsequently jointly certified by the Mayor and Chief Executive Officer for submission to the Local Government Inspector.

BACKGROUND

4. The *Local Government (Audit) Regulations 1996* require every local government to carry out a Compliance Audit for the period 1 January to 31 December each year and to complete a Compliance Audit Return (CAR).

5. Due to the commencement of the Local Government Inspector (Inspectorate) on 1 January 2026 and the cessation of the role of the Department of Local Government in terms of the CAR, the Inspectorate deferred the due date of the CAR until 30 September 2026.

6. The CAR was released by the Inspectorate on 8 July 2026. In accordance with changes introduced with the *Local Government Amendment Act 2024*, the Inspectorate now has the ability to modify the questions to be answered by local governments. For this reason, the 2025 CAR is markedly different to previous years and contains many 'blank' questions.

7. The CAR is to be:

   - Reviewed by the Audit, Risk and Improvement Committee
   - Presented to Council at a meeting of the Council
   - Adopted by the Council
   - Recorded in the minutes of the Council meeting at which it is adopted.

8. After the CAR has been presented to and adopted by Council, a certified copy is to be signed by the Mayor and CEO for lodgement with the Inspectorate by 30 September 2026 together with the relevant section of the council minutes and any additional information explaining or qualifying the compliance audit.

COMMENT

9. Relevant officers in the organisation were identified as being custodians of particular information and were required to provide answers and information in respect of specific questions of the CAR.

10. The answers and information obtained were then investigated to assess the City's compliance with the relevant question in the CAR. Each question has been addressed either wholly or by sample, depending on the volume of

activity and assessed risk factors. Where a sample has been examined, the audit findings are based only on that sample.

11. Where necessary, follow-up enquiry was undertaken to obtain suitable supporting information to quantify a response, with clarification provided by the relevant Manager or Director.

12. The composition of the CAR has changed for 2025. The CAR is no longer divided by subject matter, rather it is now divided according to the legislation under which a requirement falls. In all there were 7 divisions containing 97 questions that required an answer:

    1. *Local Government Act 1995* (51 questions)
    2. *Local Government (Administration) Regulations 1996* (12 questions)
    3. *Local Government (Audit) Regulations 1996* (2 questions)
    4. *Local Government (Constitution) Regulations 1998* (2 questions)
    5. *Local Government (Elections) Regulations 1997* (3 questions)
    6. *Local Government (Financial Management) Regulations 1996* (11 questions)
    7. *Local Government (Functions and General) Regulations 1996* (16 questions)

    As will be seen in the CAR attached to this report, some questions contained multiple sub-questions. These have been treated as individual questions in their own right. There were multiple 'blank' questions in the CAR that were addressed as parts of other questions.

13. The CAR process identified the following non-compliance:

Reference	Question	Yes/No/NA	Answer
Local Government Act 1995			
s. 3.16	Has the local government reviewed local laws which have not been reviewed in the previous 8 years, to ensure compliance with Schedule 9.3, Clause 65?	No	New local laws to replace those not reviewed are in progress with final adoption by Council approximately September/October 2026.

14. Whilst the underlying reason for the non-compliance is not clearly understood. This has now been addressed in the following way:

1. Council made a new Activities in Thoroughfares and Public Places Local Law 2026 at its OCM of 23 June 2026, which repealed 5 local laws and old by-laws that had not been reviewed as required;

2. Council is progressing replacement local laws for Local Government Property (consultation closed 17 July 2026) and Animals and Nuisance (consultation closes 18 September 2026) which propose to repeal 3 local laws that had not been reviewed as required; and

3. Council has completed a statutory review of the Standing Orders, Health, and Fencing Local Laws at its 25 August 2026 Ordinary Council Meeting, which represented the last group of local laws not reviewed as required, thus achieving compliance with Schedule 9.3, clause 65 of the *Local Government Act 1995*.

15. Failure to address the requirements of Schedule 9.3, clause 65 of the *Local Government Act 1995* will have resulted in the City having 11 local laws repealed on 6 December 2026, as they had not been reviewed as required under the Act.

16. The absence of negative findings relating to procurement or financial management is encouraging from a misconduct oversight perspective, and ongoing education and reinforcement of existing procedures continues, and the adoption of the new TechOne finance system provides a greater level of audit functionality than existed with previous legacy systems.

LEGISLATIVE CONSIDERATIONS

17. After completing the CAR, regulation 14 of the *Local Government (Audit) Regulations 1996* requires the following:

(3) The audit, risk and improvement committee must —

(a) review the compliance audit return; and

(b) report to the council the results of that review.

(4) When reporting to the council, the audit, risk and improvement committee must make any recommendations that the committee considers appropriate in relation to the compliance audit return.

(5) The council must consider the compliance audit return and the results of the audit, risk and improvement committee's review (including any recommendations) at a meeting of the council.

(6) The council must —

(a) determine if any matters raised by the audit, risk and improvement committee require action to be taken by the local government; and

(b) either —

(i) adopt the compliance audit return; or

(ii) adopt the compliance audit return subject to amendments proposed by the council.

Following adoption by Council, the CAR must be jointly signed by the Mayor and CEO and then submitted to the Inspectorate, together with the minutes of the OCM at which it was adopted, any recommendations of the Audit, Risk and Improvement Committee that accompanied it, and any information explaining or qualifying the audit.

POLICY CONSIDERATIONS

18. Governance 8 – Risk Management. The policy speaks to the overarching role of risk management within the context of regulatory non-compliance and the role of the Audit, Risk and Improvement Committee.

STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2031

Priority 4: Kalamunda Leads
Objective 4.1 - To provide leadership through transparent governance.
Strategy 4.1.1 - Provide good governance.
Strategy 4.1.2 - Build an effective and efficient service based organisation.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Internal Engagement	
Process	**Outcome**
Key stakeholders identified and requested to provide information and answers for CAR questions.	Information provided, with follow-up information gathering and investigation where necessary.

External Engagement	
Process	**Outcome**
N/A	N/A

FINANCIAL CONSIDERATIONS

19. Nil.

SUSTAINABILITY

20. Social

The CAR findings support community expectations that the City's regulatory activities are being monitored, statutory requirements are being followed and reported on in accordance with legislative requirements.

21. Economic

There are no economic implications however it is in the general interest of the organisation and the community that appropriate measures are maintained and tested by way audit to ensure opportunities for financial misconduct are prevented.

22. Environmental

There are no environmental implications. The statutory functions the subject of the CAR are not of an environmental nature or impact.

RISK MANAGEMENT

Consequence	Event	Rating	Action
Financial	N/A	N/A	N/A
Health & Safety	N/A	N/A	N/A
Reputation	Community or media scrutiny due to failure to adopt and submit CAR by the due date	Medium	Submit the CAR by the due date
Operation	Inspectorate intervention due to failure to adopt and submit CAR by the due date	High	Submit the CAR by the due date
Environment	N/A	N/A	N/A
Compliance	Inspectorate intervention due to failure to adopt and submit CAR by the due date	High	Submit the CAR by the due date
Project	N/A	N/A	N/A

REGIONAL SIGNIFICANCE

23. Nil.

CONCLUSION

24. It is encouraging to note that no breaches of legislation pertaining to high-risk areas for misconduct were detected. This mirrors previous CAR reporting periods at the City.

25. The non-compliance identified is in the process of being addressed, with a significant portion of the risk now having been ameliorated with a view to being fully resolved before 6 December 2026.

OFFICER RECOMMENDATION / COMMITTEE RECOMMENDATION

That Council:

1. ADOPT the 2025 Compliance Audit Return; and
2. NOTE the 2025 Compliance Audit Return, as attached to this report, will be subsequently jointly certified by the Mayor and Chief Executive Officer for submission to the Local Government Inspector.

Moved: **Mayor Margaret Thomas**

Seconded: **Cr Lisa Cooper**

Vote: For: **Mayor Margaret Thomas, Cr Lisa Cooper, Cr Kathy Ritchie, Cr David Modolo, Mr Peter Halliday, Mr Desmond Roche**

Against: **Nil**

CARRIED UNANIMOUSLY (6/0)

7.1.2. Strategic Risk Register

Declaration of financial / conflict of interests to be recorded prior to dealing with each item.

Previous Items	N/A
Directorate	Office of the Chief Executive Officer
Business Unit	Governance
File Reference	N/A
Applicant	N/A
Owner	N/A
Voting Requirements	**Simple Majority**
Attachments	Nil
Confidential Attachments	1. Strategic Risk Report

TYPE OF REPORT

Executive

When Council is undertaking its substantive role of direction setting and oversight (e.g. accepting tenders, adopting plans, policies and budgets)

EXECUTIVE SUMMARY

1. This report presents the City of Kalamunda reviewed draft Strategic Risk Register for review and approval.

OFFICER RECOMMENDATION

That Council ENDORSE the Strategic Risk Register as contained at Confidential Attachment 1.

BACKGROUND

4. Risk management is a core component of corporate governance and an integral part of contemporary management practices. Risk management refers to the coordination of activities that direct and control the organisation with regard to risk. It is acknowledged that risk management involves the management of potentially adverse impacts together with the realisation of opportunities.

5. The City of Kalamunda's (the City) Integrated Risk Management Plan outlines the Council as having responsibility (in part) for the management of the

strategic risks associated with the City, captured within the Strategic Risk Register.

6. The Strategic Risk Register was last reviewed and adopted by Council in August 2024 following recommendation by the Audit and Risk Committee.

COMMENT

7. A strategic risk register is a risk management tool that identifies, assesses, monitors and tracks risks that could prevent an organisation from achieving its strategic objectives.

8. A strategic risk register identifies strategic risks, assesses risk exposure (likelihood, impact and overall level of risk), records controls and treatments and assigns accountability.

9. The review of the City's Strategic Risk Register included a review of the strategic risks relevant to the City. Consideration was given to the inherent risk rating for each of these strategic risks, reviewing the likelihood and severity before any controls were put in place.

10. Relevant treatments/controls for each of the strategic risks were identified and reviewed. The residual risk rating was then identified based on the residual likelihood and severity of the risk following the application of the treatments.

11. Once adopted by Council, each of these risks will be updated in the City's risk management software and regularly reviewed by the Administration to ensure the treatments are effective.

12. The current risk register was developed following a workshop with the City's Executive Management Team. In addition, the risk register was workshopped with Elected Members.

OPTIONS

13. Council may endorse the revised Strategic Risk Register with amendments if required.

14. Council may identify that further review is required and not endorse the revised Strategic Risk Register.

LEGISLATIVE CONSIDERATIONS

15. N/A

POLICY CONSIDERATIONS

16. Governance 8 – Risk Management

STRATEGIC PLANNING ALIGNMENT

Kalamunda Advancing Strategic Community Plan to 2031

Priority 4: Kalamunda Leads
Objective 4.1 - To provide leadership through transparent governance.
Strategy 4.1.1 - Provide good governance.
Strategy 4.1.2 - Build an effective and efficient service based organisation.

COMMUNITY AND STAKEHOLDER ENGAGEMENT

Internal Engagement	
Process	**Outcome**
In person workshop held with Executive Leadership Team	Some changes were made to the register for review by Elected Members.
In person workshop held with Council	Some changes were made to the register
Final draft provided for further comment via email	No further changes were made to the register

External Engagement	
Process	**Outcome**
N/A	

FINANCIAL CONSIDERATIONS

17. N/A

SUSTAINABILITY

18. Social

N/A

19. Economic

N/A

20. Environmental

N/A

RISK MANAGEMENT

Consequence	Event	Rating	Action
Financial	N/A		
Health & Safety	N/A		
Reputation	N/A		
Operation	The City fails to effectively manage risks impacting the delivery of objectives	Medium	Undertake a review of the City's risk registers on a regular basis.
Environment	N/A		
Compliance	N/A		
Project	N/A		

REGIONAL SIGNIFICANCE

21. N/A

CONCLUSION

22. The Strategic Risk Register has been reviewed including the treatments for each of the risks identified.

23. The Strategic Risk Register is recommended for endorsement.

OFFICER RECOMMENDATION / COMMITTEE RECOMMENDATION

That Council ENDORSE the Strategic Risk Register as contained at Confidential Attachment 1.

Moved: **Cr Lisa Cooper**

Seconded: **Cr David Modolo**

Vote: For: **Mayor Margaret Thomas, Cr Lisa Cooper, Cr Kathy Ritchie, Cr David Modolo, Cr Brooke O'Donnell, Mr Peter Halliday, Mr Desmond Roche**

Against: **Nil**

CARRIED UNANIMOUSLY (7/0)

8. Motions of Which Previous Notice has been Given

9. Meeting Closed to the Public

That the Meeting be closed to the public to consider confidential items.

Moved: **Cr David Modolo**

Seconded: **Mayor Margaret Thomas**

Vote: For: **Mayor Margaret Thomas, Cr Lisa Cooper, Cr Kathy Ritchie, Cr David Modolo, Mr Peter Halliday, Mr Desmond Roche**

Against: **Nil**

CARRIED UNANIMOUSLY (6/0)

The Meeting closed to the public at 5.16pm.

Cr Brooke O'Donnell entered the meeting at 5.18pm.

Meeting Reopened to the Public

That the Meeting be reopened to the public

Moved: **Cr David Modolo**

Seconded: **Mayor Margaret Thomas**

Vote: For: **Mayor Margaret Thomas, Cr Lisa Cooper, Cr Kathy Ritchie, Cr David Modolo, Cr Brooke O'Donnell, Mr Peter Halliday, Mr Desmond Roche**

Against: **Nil**

CARRIED UNANIMOUSLY (7/0)

The Meeting reopened to the public at 5.25pm.

10. Closure

There being no further business, the Presiding Member declared the Meeting closed at 5.27pm.

I confirm these Minutes to be a true and accurate record of the proceedings of this Council.

Signed: ______________________________
Presiding Member

Dated this _________ day of _____________________ 2026.