



**CITY OF
MANDURAH**

NOTICE OF MEETING

**AUDIT, RISK AND IMPROVEMENT
COMMITTEE**

Members of Committee are advised that a meeting will be held in the
Council Chambers, 83 Mandurah Terrace, Mandurah:

Monday 5 October 2026 at 5:30 pm

CASEY MIHOVILOVICH
Chief Executive Officer
30 September 2026

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1 OPENING OF MEETING AND ANNOUNCEMENT OF VISITORS

2 ACKNOWLEDGEMENT OF COUNTRY

3 APOLOGIES

4 DISCLAIMER

Members of the public are advised that the decisions of this Committee are referred to Council Meetings for consideration and cannot be implemented until approval by Council. Therefore, members of the public should not rely on any decisions of this Committee until Council has formally considered the resolutions agreed at this meeting.

5 RESPONSE TO PREVIOUS QUESTIONS TAKEN ON NOTICE

Nil

6 AMENDMENT TO STANDING ORDERS

Modification to *Standing Orders Local Law 2016* – electronic attendance at meeting.

7 PUBLIC QUESTION TIME

Public Question time provides an opportunity for members of the public to ask a question of Committee. For more information regarding Public Question Time, please visit the City's website [About Council Meetings](#) or telephone 9550 3787.

8 PRESENTATIONS

Nil

9 DEPUTATIONS

Any person or group wishing to make a Deputation to Committee regarding a matter listed on this agenda for consideration must complete an application form. For more information regarding making a deputation, please visit the City's website [About Council Meetings](#) or telephone 9550 3787.

10 CONFIRMATION OF MINUTES

10.1 Audit, Risk and Improvement Committee Meeting held on 3 August 2026

RECOMMENDATION

That the Minutes of the Audit, Risk and Improvement Committee Meeting held on 3 August 2026 be confirmed.

Minutes are available on the City's website [Agendas and Minutes](#)

11 DECLARATIONS OF INTERESTS

12 QUESTIONS FROM COMMITTEE MEMBERS

12.1 Questions of which due notice has been given

12.2 Questions of which notice has not been given

13 BUSINESS LEFT OVER FROM PREVIOUS MEETING

Nil

14 REPORTS

Subject: 14.1 2026 LGIS 3 Steps to Safety Program

Summary

In May 2026, LGIS were engaged to conduct an assessment into the City's Work Health Safety and Wellbeing management system. This report provides a summary of the report outcomes and Council is requested to note the assessment result and proposed actions as a result of the assessment.

Disclosure of Interest

N/A

Previous Relevant Documentation

N/A

Background

In 2016, the City commenced a strategic journey to strengthen our work health and safety management system through the development of our first three-year Strategic Safety Plan. This laid the foundation for a proactive and systematic approach to managing health and safety risks, building capability, and embedding a positive safety culture across the organisation.

Over the past decade, our commitment to continuous improvement has been reflected in the many initiatives, systems, programs and processes introduced across the City which have reflected in the substantial improvement in the City's LGIS WHS Assessment scores below:

- 2018 - 72%
- 2020 - 82%
- 2023 - 96%
- 2026 - 98%

Comment

The LGIS 3 Step to Safety Program which was utilised for the May 2026 assessment comprises of 6 categories each of which have up to 9 elements that are used to measure achievements. The assessment involved visiting various City worksites to conduct interviews and observations with a broad cross section of the organisation.

The table below includes each of the categories, standard required, the City's assessment results and a summary of proposed actions.

Category	Standard	Score	Proposed actions
Management Commitment	There is commitment to achieving high standards of safety and health performance through effective safety management.	100%	• Nil
Planning	Planning is used to establish and maintain an integrated health and safety management system that is	100%	• Nil

	set up to continuously improve health and safety performance across all operational areas.		
Consultation and Reporting	Mechanisms are in place for consultation and reporting on health and safety matters and are working effectively.	100%	Nil
Hazard Management	An effective system is in place to identify hazards, assess and control risks associated with the organisation's activities, processes, products or services.	100%	Nil
Training and Supervision	Training and supervision are organised to reduce the risk of work-related injury and disease; and is evaluated to ensure it is effective.	100%	Nil
Volunteer Management	Systems are established and maintained to ensure the health, safety and wellbeing of all volunteers. The organisation engages, consults, trains and supports volunteers.	92%	- Review the activity observation and volunteer monitoring checklist process to determine how this process can be effectively implemented and recorded. - Liaise with DFES to obtain suitable, centralised access to current volunteer information to ensure bushfire volunteers are being provided with information that reflects current legislation, standards and codes of practice. - Formalise access to current DFES SWMS so the organisation can verify fatigue management controls are included and communicated to volunteers.
Overall score		98%	

189 of the 192 assessment criteria scored exemplary. Meaning the City has sustained performance requirements for the criteria with strong supporting documentation and other applicable evidence is in place and is updated regularly. Consistent application for the criteria has been in place over a considerable period, typically a minimum of 4 years, some minor problems may occur from time to time.

The assessment confirms that many required elements are in place and operating effectively, with only minor opportunities identified for continuous improvement.

Key strengths of the City's existing Work Health Safety and Wellbeing systems are:

- Strong leadership commitment to workplace health and safety.
- Well-developed risk management framework.
- Effective incident reporting and investigation processes.
- Regular consultation with workers and Health and Safety Representatives.
- Ongoing training and competency management.

- Positive integration of health, safety and wellbeing initiatives.
- High level of compliance with legislative requirements and internal standards.

Consultation

N/A

Statutory Environment

There are no legislative requirements for this report but there would be an expectation that the City's Work Health Safety and Wellbeing system is reviewed and improvements made where required. The overarching legislation the City is required to adhere to is the:

- *Work Health and Safety Act 2020*
- *Work Health and Safety Regulations 2022*

Policy Implications

The City has a WHS Policy Framework comprising an overarching policy CoM-HRM-21 Work Health Safety and Wellbeing Policy supported by a suite of associated procedures. The Audit has not identified any recommendations for change or improvements in the WHS Policy Framework at this time.

Financial Implications

The review is provided by LGIS at no cost.

Economic Implications

N/A

Environmental Implications

N/A

Risk Implications

The City has an obligation to provide effective Work Health, Safety and Wellbeing systems to ensure obligations under the Work Health and Safety Act are met. This includes:

- Providing and maintaining a safe work environment.
- Providing safe systems of work.
- Ensuring plant, equipment and structures are safe.
- Managing physical and psychosocial risks.
- Providing appropriate information, instruction, training and supervision.
- Monitoring worker health and workplace conditions.
- Providing adequate workplace facilities and emergency arrangements.

Without a robust framework of policies, procedures, governance and risk controls, to eliminate risks where possible or minimise them so far as is reasonably practicable, the City could be subject to increased exposure to legal liability, regulatory enforcement, financial loss, operational disruption, reputational damage and adverse impacts on the City's employee's health and wellbeing. The Executive Leadership Team and City of Mandurah management team are accountable for ensuring due diligence is exercised and that employees, volunteers and contractors are provided with a safe and healthy workplace, so far as is reasonably practicable.

Strategic Implications

The following strategies from the City of Mandurah Strategic Community Plan 2024-2044 are relevant to this report:

Economy

- Local jobs to retain our people and attract skilled workers
- A highly skilled workforce supported by strong education and training opportunities

Community

- Safe and connected communities
- A healthy lifestyle and healthy community, with an emphasis on prevention

Leadership

- A committed, innovative, effective, and values driven Council and workforce

Conclusion

The LGIS 3 Steps to Safety Assessment achieved an excellent result of 98% compliance, demonstrating that the City has a mature and effective work health safety and wellbeing management system. No significant compliance issues or critical risks were identified. The remaining improvement opportunities are minor in nature and can be addressed through normal business processes.

Officer Recommendation

That the Audit, Risk and Improvement Committee:

- 1. Recommends that Council notes the key achievements of the 2026 LGIS 3 Steps to Safety Assessment.**
- 2. Notes the areas for improvement as per Attachment 1.**

Attachments

1. WHS audit actions 2026 [**14.1.1** - 1 page]

Audit, Risk and Improvement Committee Agenda - 5 October 2026

Audit Title	Audit Topic	Audit Subject	Audit Report Date	Finding	Recommendation	Risk Level H M L	Related Strategic Risk	Action	Action Status	Percentage Complete	Action Due Date	Amended Due Date	Responsible Officer Comments
Work Health and Safety Audit by LGIS 2025.26_IA4	Volunteers	Access to DFES procedures	03 Aug, 2026	Volunteers are required to follow the same procedures as City workers, with inductions reinforcing the expectation to work in accordance with organisational procedures. WHS procedures include volunteers within the "worker" definition. WHS risk management tools are in place for volunteer areas/activities, providing task-specific guidance and controls. Although bushfire volunteers are provided with DFES created work instructions, a recent change of the bushfire volunteer management role has identified a gap for this worker to obtain ready access to DFES documentation.	Liaise with DFES to obtain suitable, centralised access to current volunteer information to ensure bushfire volunteers are being provided with information that reflects current legislation, standards and codes of practice.	M	People	Establish a method for volunteers to access DFES information for volunteers	Not yet started		31 Dec, 2026	N/A	
Work Health and Safety Audit by LGIS 2025.26_IA4	Volunteers	Fatigue management	03 Aug, 2026	The Code of Conduct sets fitness to work, drug and alcohol requirements, and inductions reinforce fitness to work expectations. BFB volunteers follow DFES fitness to work requirements with shifts managed by DFES. Fatigue is addressed within the BFB WHS Risk Register, and shift patterns for Senior volunteers are managed through Emplive controls (including event shift scheduling). JIGs and JSAs identify fatigue related hazards and outline fatigue management controls. However, it could not be confirmed whether DFES SWMS include fatigue management controls, as the SWMS were not readily accessible for review.	Formalise access to current DFES SWMS so the organisation can verify fatigue management controls are included and communicated to volunteers.	M	People	Enable access to DFES SWMS so that fatigue management controls can be verified as included and communicated to volunteers.	Not yet started		31 Dec, 2026	N/A	
Work Health and Safety Audit by LGIS 2025.26_IA4	Volunteers	Volunteer monitoring	03 Aug, 2026	Training and competency records are maintained within OneCouncil via human resources record maintenance processes as well as directly with the volunteer supervisor under the volunteer's individual file. Records such as bushfire brigade (BFB) meeting summary emails and related documentation are stored in designated areas within OneCouncil to support traceability and auditability. Although activity observations and volunteer monitoring checklists have been developed, they are not regularly used. Any feedback to volunteers both bushfire and other, is primarily delivered verbally.	Review the activity observation and volunteer monitoring checklist process to determine how this process can be effectively implemented and recorded.	M	People	Review and update the volunteer management process to include activity observations	In progress	10.00	31 Dec, 2026	N/A	Activity observations have commenced on some of our volunteers

Subject: 14.2 OAG Performance Audit - Controls Over Portable Assets

Summary

In accordance with the City of Mandurah Strategic Internal Audit Plan, the City is required to undertake self-assessments utilising the Office of the Auditor General (OAG) Performance Audits, enabling the City to identify areas for improvement to the control environment.

The OAG conducted a Performance Audit on Controls Over Portable Assets – State Entities (Report 10: 2025-26, 6 March 2026). A self-assessment has now been undertaken utilising the OAG findings and recommendations for improvement, assessed against the City's Portable and Attractive Assets Policy (CoM-FCM 05), which came into effect on 29 June 2026.

The Audit, Risk and Improvement Committee are requested to note the City's self-assessment of its current portable asset controls and procedures against the audit report's best practice key recommendations, and the recommendations for improvement to the City's controls as contained in Confidential Attachment 1.

Disclosure of Interest

N/A

Confidentiality

Information where making public would likely endanger the security (including cyber-security) of any of the local government's property or operations (*section 5.23(4)(e)*).

Background

The [OAG Performance Audit Controls Over Portable Assets – State Entities \(Report 10: 2025-26\)](#) was prepared for submission to Parliament under the provisions of sections 24 and 25 of the *Auditor General Act 2006* by the Office of the Auditor General (OAG), Western Australia. The audit assessed whether five State government entities had effective controls over their portable assets to minimise loss and misuse.

The audit focussed on portable assets with an individual value of less than \$5,000. Portable assets include safety devices, medical and scientific equipment, maintenance and workshop tools, educational aids, and information technology equipment. These assets represent a significant investment of government funds and are at high risk of loss or misuse as they are easily moved and are often attractive for theft for personal use or gain by on-selling.

The audit assessed the period 1 July 2022 to 30 June 2025. Key findings from the OAG audit were as follows:

- Of the five entities audited, only one had effective controls to record, track and dispose of its portable assets.
- More than a third (34%) of the 115 portable assets sampled across all entities could not be found at their recorded locations due to inaccurate registers and inadequate tracking.
- 63% of recently purchased portable assets sampled were not recorded on entity registers.
- Four entities had weaknesses in their disposal policies and practices, including not having appropriate approvals and not documenting the reason for and method of disposal.
- All audited entities made staff aware of their responsibilities around the personal use of portable assets through mechanisms such as codes of conduct and refresher training.

The OAG strongly encouraged all public sector entities – including local governments – to consider the findings in this report and assess their own portable asset controls, policies and practices to ensure taxpayer funds are not wasted through misuse or theft.

Comment

A self-assessment was conducted to compare the OAG's best practice key recommendations against the City's current practices for managing portable and attractive assets. The City recently adopted the Portable and Attractive Assets Policy (CoM-FCM 05) on 29 June 2026, which establishes a framework consistent with the legislative requirements of regulation 17B of the *Local Government (Financial Management) Regulations 1996*. While the City's portable asset framework is developing, more effort is required to fully embed the policy requirements across all business units and ensure all registers are accurate, stocktakes are conducted as mandated, and disposal documentation is complete.

The OAG recommends that all entities should:

1. Review and update policies and procedures on the recording and disposal of portable assets to ensure they are clear, comprehensive and consistently applied.
2. Ensure registers contain sufficient and appropriate information to track portable assets, including recording new assets promptly and removing lost or disposed of assets in a timely manner.
3. Conduct regular stocktakes of portable assets and keep documentation of stocktake results and reports to management.
4. Appropriately document disposal decisions, including approval, disposal method and reason, to ensure transparency and accountability.

The City's self-assessment is set out in Confidential Attachment 1 together with recommendations for improvement to the City's controls.

Consultation

N/A

Statutory Environment

- *Local Government Act 1995*
- *Local Government (Financial Management) Regulations 1996, regulation 17B* – CEO to take steps to protect excluded portable and attractive assets

Policy Implications

- CoM-FCM 05 – Portable and Attractive Assets Policy

Financial Implications

As a Local Government entity, the City has an obligation to the community it serves to safeguard and account for public assets. Portable and attractive assets represent a significant collective investment of ratepayer funds. Misuse, loss or theft of these assets has a direct financial impact on the City through the cost of replacement and increased administrative burden. Failure to maintain accurate registers and conduct regular stocktakes increases the risk of undetected loss or theft, and may result in unnecessary procurement of assets already held by the City.

The City's Portable and Attractive Assets Policy (CoM-FCM 05) captures non-consumable items valued between \$1,000 and \$4,999.99 (exclusive of GST). By strengthening controls over this asset class, the City reduces the financial risk associated with misappropriation and loss.

Economic Implications

N/A

Environmental Implications

N/A

Risk Implications

A risk analysis has been conducted to compare the OAG audit's best practice key recommendations against the City's current practices for portable asset management. The primary risks identified include:

- Asset misappropriation or theft – inaccurate or incomplete registers increase the likelihood that loss or theft will go undetected.
- Non-compliance with legislative requirements – failure to maintain appropriate registers and conduct stocktakes may result in non-compliance with regulation 17B of the Local Government (Financial Management) Regulations 1996.
- Service disruption – assets not available for service delivery due to loss or inadequate tracking may result in unplanned procurement and service delays.

Strategic Implications

The following strategies from the City of Mandurah Strategic Community Plan 2024-2044 is/are relevant to this report:

Leadership

- Responsible, transparent, value for money delivery of well planned, sustainable, projects, programs and services

Conclusion

While the City's introduction of the Portable and Attractive Assets Policy (CoM-FCM 05) on 29 June 2026 demonstrates a proactive commitment to strengthening its control environment, more effort is required to fully implement and embed the policy requirements across all business units. In particular, the City should focus on ensuring all three portable asset registers are accurate and up-to-date, that annual and quarterly stocktakes are conducted as mandated, and that disposal documentation is maintained in accordance with the policy and legislative requirements.

The City remains committed to continuously improving its asset management practices and ensuring alignment with the OAG's best practice recommendations.

Officer Recommendation

That the Audit, Risk and Improvement Committee note the Office of the Auditor General Performance Audit on Controls Over Portable Assets – State Entities Report and the recommendations for improvement to the City's Portable and Attractive Asset controls as detailed in Confidential Attachment 1.

Attachments

1. CONFIDENTIAL REDACTED - City Self-assessment and recommendations for improvement [14.2.1 - 5 pages]

Subject: 14.3 Microsoft 365 Security Controls self-review following release of OAG report

Summary

In accordance with the City of Mandurah Strategic Internal Audit Plan, the City is required to undertake self-assessments utilising the Office of the Auditor General (OAG) Performance Audits, enabling the City to identify areas for improvement to the control environment.

On 6 March 2026 the Office of Auditor General (OAG) released a review on the effectiveness of Western Australian state-wide controls around the management and security of Microsoft 365 applications (OAG report). The City has evaluated those recommendations against its current Microsoft 365 environment. The City's self-evaluation is that it is moderately effective control environment.

The Audit, Risk and Improvement Committee are requested to note the City's self-assessment of its Microsoft 365 environment against the audit report's best practice key recommendations, and the recommendations for improvement to the City's controls as contained in Confidential Attachment 1.

Disclosure of Interest

Nil

Confidentiality

Information where making public would likely endanger the security (including cyber-security) of any of the local government's property or operations (*section 5.23(4)(e)*).

Previous Relevant Documentation

N/A

Background

The City has enabled the full suite of Microsoft 365 productivity and collaboration applications, aside from Power BI and Power Platform, as per the OAG report. These provide controls for the overall City network, infrastructure and the software applications its staff utilise.

Whilst the security control items in the OAG report are also items reviewed by the OAG Information Systems audit of the City (first carried out in October 2025 and currently underway in 2026), it is important that a specific Microsoft 365 self-evaluation is also completed. This ensures recommended approaches from the OAG report, specific to Microsoft 365, are evaluated and any gaps identified.

Refer Microsoft 365 Security Controls – State Entities OAG report - [Audit Report](#).

Comment

The City of Mandurah has self-assessed at a predominantly moderate stage of maturity across the following five key areas. This sits in line with the findings of the OAG for the seven entities it reviewed. The City appears to have performed above the State entity finding for Threat protection items as a number of these recommendations are already practice at the City.

Please refer to Confidential Attachment 1 for the self-assessment and areas for improvement.

For information protection we have self-evaluated slightly lower. This is likely linked to the local government sector in general tracking behind State Government in relation to information

classification and its labelling. The City has developed its City of Mandurah Information Classification Policy (internal policy) and the working group is currently underway with building the implementation and change management plans with phase 1, being Microsoft 365 application labelling, planned for Quarter Two 2026/2027.

	Self evaluated level of effectiveness	State entity finding (see findings page 7 OAG report)
Governance	Moderate	Moderate
Identity and access management	Moderate	Moderate
Information protection	Moderate to minor	Moderate
Security management and visibility	Moderate	Moderate to minor
Threat protection	Moderate	Minor

Figure 1 Effectiveness of security settings by category

Consultation

Not applicable

Statutory Environment

Local Government Act 1995 S5.41 (h) Functions of CEO

“(h) ensure that records and documents of the local government are properly kept for the purposes of this Act and any other written law;”

Policy Implications

Nil.

Financial Implications

Where applicable, additional funding considerations will be included in the Long Term Financial Plan for consideration by Council.

Economic Implications

Not applicable

Environmental Implications

Not applicable

Risk Implications

The City has recorded a high residual strategic risk relating to protection of the City’s information and systems. Whilst the City’s Microsoft 365 environment is moderately controlled this continues to pose a risk which can only be mitigated with further planned actions. These have been planned within the available current resourcing.

Strategic Implications

The following strategies from the City of Mandurah Strategic Community Plan 2024-2044 is relevant to this report:

Leadership

- Responsible, transparent, value for money delivery of well planned, sustainable, projects, programs, and services

Conclusion

The self-review has provided an additional set of recommendations to add to an already planned Microsoft 365 set of recommendations provided by ongoing Microsoft developments. City officers will continue to implement improvement actions as identified in Confidential Attachment 1.

Officer Recommendation

That the Audit, Risk and Improvement Committee note the Office of the Auditor General Performance Audit on Microsoft 360 Security Controls Report and the recommendations for improvement to the City's Microsoft 365 Security Controls as detailed in Confidential Attachment 1.

Attachments

1. CONFIDENTIAL REDACTED - 360 Microsoft Controls [14.3.1 - 7 pages]

15 REPORTS FROM AUDITORS

Nil

16 LATE AND URGENT BUSINESS ITEMS

Nil

17 CONFIDENTIAL ITEMS

****This report is designated CONFIDENTIAL. The unauthorised release or publication of the report or information contained therein may be an offence pursuant to the Local Government Act 1995 and/or other statutes.***

Subject: 17.1 Strategic Internal Audit Plan 2026/27 - 2028/29

18 CLOSE OF MEETING