



City of **Perth**

Minutes

Audit, Risk and Improvement Committee Meeting
21 January 2026

Approved for release

Michelle Reynolds
Chief Executive Officer
28 January 2026

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

These minutes are hereby certified as confirmed.

Presiding member's signature _____

Date _____

AUDIT AND RISK COMMITTEE (ARC) TERMS OF REFERENCE

February 2024

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

<p>Authority and Independence</p>	<p>The ARC is a formally appointed committee of Council and is responsible to that body. The ARC does not have executive powers or authority to implement actions in areas which the administration has responsibility and does not have any delegated financial responsibility or management functions.</p> <p>The Council authorises the Committee, in accordance with these Terms of Reference, to:</p> <p>Obtain any information it requires from any official or external party (subject to any legal obligations to protect information).</p> <p>Discuss any matters with internal auditors, OAG, other external parties, or members of the administration.</p> <p>Request the attendance of an elected member at ARC meetings.</p> <p>Request that the CEO obtains legal or other professional advice when necessary to fulfil its role, at the entity’s expense, subject to approval by Council.</p> <p>The Committee must remain independent from management of the City; however, it will be administratively supported by the Manager Audit and Risk. Any member of the ARC can meet with the Manager Audit and Risk on request.</p> <p>The Committee is only to consider reported items that are within the scope outlined in these Terms of Reference, or as directed by Council. Any exceptions to this will be recorded in the minutes.</p>	
<p>Membership and Meetings</p>	<p>Composition</p>	<p>The ARC is comprised of a maximum of six (6) members, of which, two (2) must be independent. All members will have full voting rights. The ARC is led by a Presiding Member, who is responsible for reporting to Council.</p> <p>Although the Act provides that any committee member may nominate to be the Presiding Member of this committee, it is the Committee’s preference that the Committee’s presiding member be a Councillor or an Independent Committee Member.</p> <p>The ARC is to appoint a Deputy Presiding Member to act as Presiding Member in the Presiding Member’s absence.</p> <p>The Committee may request that the CEO invite the External Audit Service Providers and relevant management representatives to present information and participate in the meeting. A representative from the OAG may be invited to attend ARC meetings as an observer.</p>

	<p>Appointment and Membership Terms</p>	<p>Members of the ARC are appointed by Council in accordance with the following relevant section 7.1A of the Act, which stipulates:</p> <p><i>“(2) The members of the audit committee are to be appointed by the local government by absolute majority and at least 3 of the members, and the majority of the members, are to be council members.”</i></p> <p><i>(3) A CEO is not to be a member of an audit committee...</i></p> <p><i>(4) An employee is not to be a member of an audit committee.</i></p> <p>Independent committee members must be appointed by Council, in accordance with section 5.10 of the Act. The appointment process will follow relevant Council Policies relating to Independent Committee Members.</p> <p>In compliance with section 5.11 of the Act, all members will be appointed by the Council, and will remain a member until —</p> <ul style="list-style-type: none"> (a) the term of the person’s appointment as a committee member expires; or (b) the local government removes the person from the office of committee member or the office of committee member otherwise becomes vacant; or (c) the committee is disbanded; or (d) the next ordinary elections day <p>The Presiding Member and Deputy Presiding Member of the Committee will each have a term limit of two (2) years, as per the local government election cycle.</p> <p>The Presiding Member can address the regular non-attendance with a Member of the ARC and determine an appropriate course of action.</p> <p>Under Part 2, Regulation 4 of the <i>Local Government (Administration) Regulations 1996</i>, members may resign from the ARC by giving the CEO or the ARC’s Presiding Member written notice of their resignation. It is encouraged that ARC members provide a notice period of three (3) months; however, a shorter notice period may be accepted.</p> <p>Where new members are appointed to the ARC after an election, the City will conduct an induction at the first meeting following the appointment, to help support the skills and experience of ARC members. Any additional training for members will be in accordance with section 5.126 of the Act.</p>
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Meetings	<p>Frequency: Quarterly for ordinary meetings, and as required.</p> <p>The Presiding Member is required to call a meeting if asked to do so by Council.</p> <p>If a meeting is requested by another ARC member, OAG, or the CEO, the Presiding Member will decide whether the meeting is necessary. A special meeting may be called for the ARC to consider Financial Statements.</p> <p>Open to the public: No.</p> <p>Member attendance: Meeting attendances and absences are to be recorded and monitored. Where regular non-attendance is noted, the Presiding Member may raise this with the ARC member.</p> <p>Quorum: As prescribed by Section 5.19 of the Act, the quorum for Committee meetings will be at least 50% of the number of offices of the Committee (whether vacant or not).</p> <p>Agenda: An agenda will be distributed at least five (5) business days prior to the meeting, along with reports and other attachments or information to be addressed.</p> <p>ARC Agenda papers will be circulated to members via the Council Hub portal and to independent members via email.</p> <p>Voting: Voting is in accordance with Section 5.21 of the Act.</p> <p>All decisions to make a recommendation to Council must be made by simple majority.</p> <p>Minutes: All meetings will be minuted, and minutes will be submitted to the Committee at the next Committee meeting for confirmation, as per Section 5.22 of the Act.</p> <p>Minutes are to include all that is listed in Regulation 11 of the <i>Local Government (Administration) Regulations 1996</i>.</p> <p>Reporting: The ARC will present its recommendation on each item on the ARC Agenda at the next Ordinary Council Meeting, for the Council’s consideration.</p> <p>Confidentiality: All Committee members will be required to adhere to the City’s confidentiality requirements as per the Code of Conduct for Council Members, Committee Members and Candidates.</p> <p>Conduct of Meetings: ARC Meetings will be held in accordance with the Act, subsidiary legislation, and the City’s Standing Orders.</p> <p>An in-camera session with the Manager Audit and Risk will be conducted before the conclusion of an ARC meeting.</p>
Responsibilities	<p>The ARC oversees the City’s systems of financial reporting, risk management and internal control. Its duty is to provide oversight over significant risk exposures and</p>

control issues, including fraud risks, governance issues and other matters as necessary or requested by the CEO or Council.

The duties and responsibilities of the ARC include, but are not limited to:

- 1) Overseeing the City's risk management, through:
 - a) Biennial review of the City's Risk Management Policy.
 - b) Reviewing reports on the movement of the City's current strategic risks, and the emergence of new strategic risks.
 - c) Overseeing strategic risks which sit outside of the City's Risk Appetite.
- 2) Overseeing the City's processes for managing fraud and corruption, by:
 - a) Performing oversight responsibilities as per the City's Fraud and Corruption Control Policy (CP 2.15) and reporting on this to Council annually.
 - b) Enquiring with the CEO and the OAG about whether they are aware of any actual, suspected, or alleged fraud or corruption affecting the City.
 - c) Reviewing summary reports from the CEO on communication from external parties including regulators that indicate problems in the internal control system or inappropriate management actions.
- 3) Overseeing the City's financial management and legislative compliance, by:
 - a) Reviewing the City's annual Compliance Audit Return and reporting the results of that review to Council, in accordance with the *Local Government (Audit) Regulations 1996*.
 - b) Receiving and reviewing reports from the CEO regarding the appropriateness and effectiveness of the City's legislative compliance and ensuring any non-compliances are rectified on a timely basis.
 - c) Considering and recommending adoption of the annual financial report to Council.
- 4) Overseeing the internal audit function, by:
 - a) Assessing and making a recommendation to Council on the 3-year Strategic Internal Audit Plan to ensure that it comprehensively covers material business risks that may threaten the achievement of strategic objectives and an Assurance Map which identifies key risks and control mechanisms.
 - b) Monitoring the progress of the 3-year Strategic Internal Audit Plan.
 - c) Reviewing the quality and timeliness of internal audit reports.

	<ul style="list-style-type: none"> d) Considering the implications of internal audit findings on the business, its risks, and controls. e) Monitoring the implementation of internal audit recommendations. f) Reviewing and making a recommendation to Council on the level of resources allocated to internal audit and the scope of the function’s authority. g) Monitoring coordination of activities between the four (4) lines of defence. <p>5) Fulfilling responsibilities pertaining to external audit, by:</p> <ul style="list-style-type: none"> a) Reviewing reports from the OAG, including auditor’s reports, closing reports and management letters. b) Reviewing management’s response to OAG findings and recommendations. c) Monitoring the implementations of recommendations from external audits. d) Meeting with the OAG at least once per year without management presence. e) Reviewing results of relevant OAG audit reports and better practice publications for guidance on good practices, including any self-assessment by the CEO.
<p>Committee Sitting Fees and Reimbursement*</p>	<p>Independent Committee Members will be paid meeting attendance fees and reimbursed expenses in accordance with Section 5.100 of the Act and Council’s relevant policies on Independent Committee Members.</p> <p>*This section provides for Independent Member Committee members only as council members receive an annual fee for meeting attendance under relevant Council Policy.</p>
<p>Reporting</p>	<p>The City’s Internal Audit business unit reports functionally to the ARC and administratively to the CEO. A clear and properly defined reporting relationship ensures that Internal Audit is empowered to perform its role. The direct reporting line to the ARC also acts as a safeguard in the event of a serious breakdown in internal controls or internal control culture at senior levels in the organisation.</p> <p>The Presiding Member of the ARC meets with the Manager Audit and Risk:</p> <ul style="list-style-type: none"> i. Prior to the Agenda Papers being prepared; and ii. Before an ARC meeting to discuss the Agenda Papers and address any questions. <p>Reports and recommendations of each Committee meeting will be presented to the next ordinary meeting of the Council. The Audit and Risk Committee may also, at any time, report to the accountable authority on any other matters it deems to be sufficiently important.</p>

<p>Conflicts of Interest</p>	<p>All members of the Audit and Risk Committee will provide declarations of any actual or perceived conflicts of interest as required in accordance with the Act and subsidiary legislation, and the City's Code of Conduct for Council Members, Committee Members and Candidates.</p> <p>Members are expected to review Committee meeting agendas and papers to identify any conflicts prior to meetings. In identifying conflicts, members are to consider their past employment, consultancy arrangements, and related party issues. Disclosures are to be made using the 'disclosure of interest form', or by providing a written disclosure of interest to the CEO or Presiding Member of the ARC.</p> <p>At the beginning of each meeting the Presiding Member will ask the CEO and the members to disclose any interests they may have. In the event when there is a conflict of interest, this will be managed by requiring the interested individual to leave the committee room for the duration of the period when the item is discussed. They will be excluded from having a vote on that item. This is pursuant to Part 5, Division 6, Section 5.65-5.69 of the Act.</p> <p>Interests will be recorded in the ARC minutes.</p>
<p>Audit and Risk Committee Performance Assessment Arrangements</p>	<p>Once per year, the ARC will perform a self-assessment of its performance, in collaboration with the CEO. Feedback on the Performance of the ARC may be received verbally and/or in written form from the Members. Outcomes from the annual self-assessment will be communicated to Council.</p>

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1. Declaration of Opening

The Presiding Member declared the Audit, Risk and Improvement Committee Meeting for the City of Perth open at 4.01pm.

2. Acknowledgement of Country

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

3. Attendance

Members in Attendance

Independent Members

Lord Mayor

Councillors

Colin Murphy
Jonathan Seth
Bruce Reynolds
Catherine Lezer
Liam Gobbert
Raj Doshi
David Goncalves
Chris Patton

Officers in Attendance

Chief Executive Officer

Acting/Executive Director Governance and Strategy

Executive Director

Audit and Risk Manager

Local Government Monitor

Consultant

Consultant

Chief People Officer

Acting Council Governance and Policy Coordinator

Michelle Reynolds
Charlie Clarke
Wendy Attenborough
Brent Godfrey
Carol Adams
Beth Robinson (*Retired at 5.50pm*)
Alex Woods (*Retired at 5.50pm*)
Claire Allman
Tanya Toon-Poynton

Observers

Councillor Lisa Ma.

There were no members of the public in attendance

3.1 Apologies

Nil.

3.2 Leave of Absence

Nil.

4. Correspondence

Nil.

5. Disclosures of Interests

Nil.

6. Reports

Matters for which the meeting may be closed

Committee Resolution (ARIC-26/01-001)

Mover: Independent Member Colin Murphy

Seconded: Councillor Liam Gobbert

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

6.1 Psychosocial Risk Assessment Report

CARRIED (6/2)

For: Lord Mayor Bruce Reynolds; Deputy Lord Mayor David Goncalves; Councillors Liam Gobbert and Chris Patton, Independent Members Colin Murphy and Jonathan Seth

Against: Councillors Catherine Lezer and Raj Doshi

4.04pm *The Meeting was closed to the public.*

In accordance with Section 5.23(3) of the Local Government Act 1995, the following Item 6.1 and its attachments are confidential.

6.1 Psychosocial Risk Assessment Report

Responsible Officer	Michelle Reynolds – Chief Executive Officer
Voting Requirements	Simple Majority
Attachments	Attachment 6.1A – Psychosocial Risk Assessment Report Attachment 6.1B – Recommendation Table - Psychosocial Risk Assessment - January 2026

Committee Recommendation (ARIC-26/01-006)

Mover: Councillor Catherine Lezer

Secunder: Councillor Raj Doshi

That the Audit, Risk and Improvement Committee recommend that Council:

1. RECEIVE the Psychosocial Risk Assessment Report and its recommendations.
2. SUPPORT the recommendations in principle pending further advice from the CEO.
3. NOTE that a paper will be prepared for the Ordinary Council Meeting of 24 February 2025 regarding the allocation of funds to enable implementation of the recommendations.

CARRIED UNOPPOSED (8/0)

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

Against Nil.

Committee Resolution (ARIC-26/01-007)

Mover: Independent member Colin Murphy

Seconded: Councillor Liam Gobbert

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

CARRIED UNOPPOSED (8/0)

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

Against Nil.

6.44pm *The Meeting was reopened to the public.*

7. Motions of which Previous Notice has been Given

Nil.

8. General Business

The Presiding Member advised that he and the Deputy Presiding Member are not available to attend the Audit Risk and Improvement Committee meeting scheduled for 9 March 2026, and requested that the meeting be moved to a new date.

The Lord Mayor requested to be put on the record that file notes were recorded in sessions held on 6 and 12 November 2025 relating to members raising concerns around psychosocial health.

9. Items for Consideration at a Future Meeting

Nil.

4. Closure

There being no further business, the Presiding Member declared the meeting closed at 6.51pm.