



Meeting attachments

Audit, Risk and Improvement Committee

Monday 14 September 2026 6pm

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Local Government
Inspector

2025 Compliance Audit Return

Local Government Authority: The City of Fremantle

Local Government Act 1995

s. 2.29

Has every person elected or appointed to a mayor, president, deputy, or councillor role made the required declaration in the prescribed form before a prescribed person, prior to acting in the office?

Response: Yes

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?

Response: N/A

Comments: Council commenced its review of local laws on 12 March 2025 (C2503-6). During the audit period, the City completed a review of two local laws on 25 June 2025 (C2506-10). Reviews of all remaining applicable local laws are scheduled to be completed by December 2026 (in accordance with Schedule 9.3, Clause 65).

s.3.57

Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?

Response: Yes

s. 3.58(3)

Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)?

Response: Yes

s. 3.58(4)

Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4) of the Act, in the required local public notice for each disposal of property?

Response: Yes

s. 3.59(2)(a)

Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2025?

Response: N/A

Comments: No major trading undertakings in the 2025 period.

s. 3.59(2)(b)

Has the local government prepared a business plan for each major land transaction that was not exempt in 2025?

Response: N/A

Comments: No major land transactions in the 2025 period.

s. 3.59(2)(c)

Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2025?

Response: N/A

Comments: No major land transactions in the 2025 period.

s. 3.59(4)

Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2024?

Response: N/A

Comments: No major trading or land transactions entered into in the 2025 period.

s. 3.59(5)

During 2025, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?

Response: N/A

Comments: No major trading or land transactions entered into in the 2025 period.

s. 5.16 (1)

Were all delegations to committees resolved by absolute majority?

Response: N/A

Comments: No delegations to committees were considered or approved by Council during the audit period.

Revoked delegations to Committees: 28/08/2024

Renewed delegations to Committees: 27/05/2026

s. 5.16 (2)

Were all delegations to committees in writing?

Response: N/A

Comments: No delegations to committees were made during the audit period.

Revoked delegations to Committees: 28/08/2024

Renewed delegations to Committees: 27/05/2026

s. 5.17

Were all delegations to committees within the limits specified in section 5.17 of the Local Government Act 1995?

Response: N/A

Comments: No delegations to committees were made during the audit period.

Revoked delegations to Committees: 28/08/2024

Renewed delegations to Committees: 27/05/2026

s. 5.18

Were all delegations to committees recorded in a register of delegations?

Response: N/A

Comments: No delegations to committees were made during the audit period and therefore no entries were required in the Delegations Register.

Revoked delegations to Committees: 28/08/2024

Renewed delegations to Committees: 27/05/2026

s. 5.36(4) and s. 5.37(3)

Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?

Response: N/A

Comments: There were no vacancies for CEO in 2025. Only the CEO is designated as a senior employee.

s. 5.37(2)

Did the CEO inform council of each proposal to employ or dismiss senior employee?

Response: N/A

Comments: There were no appointments or dismissals of senior employees in 2025. Only the CEO is designated as a senior employee.

Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?

Response: N/A

Comments: There were no appointments or dismissals of senior employees in 2025. Only the CEO is designated as a senior employee.

s. 5.39B

Has the local government adopted and maintained model standards that incorporate the prescribed model standards within required timeframes (including amendments), ensured adoption by absolute majority, published an up-to-date version on its official website, and avoided including any inconsistent additional provisions?

Response: N/A

Comments: No changes were made to Model Standards during the reporting period.

s. 5.42

Were all delegations to the CEO resolved by an absolute majority?

Response: Yes

Were all delegations to the CEO in writing?

Response: Yes

s. 5.43

Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the Local Government Act 1995?

Response: Yes

s. 5.44(2)

Were all employees delegated authority by the CEO under Section 5.44(1), issued with a written instrument of delegation?

Response: Yes

s. 5.45(1)(b)

Were all decisions by the Council to amend or revoke a delegation made by absolute majority?

Response: Yes

s. 5.46

Has the CEO kept a register of all delegations made under Division 4 of the Act to the CEO and to employees?

Response: Yes

Were all delegations made under Division 4 of the Act reviewed by the delegator at least once during the 2024/2025 financial year?

Response: Yes

Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19?

Response: Yes

s. 5.50

If the local government paid a finishing employee an amount in addition to their entitlement, did the local government follow a policy it had adopted and published on its website outlining the circumstances in relation to payments made to terminated employees?

Response: N/A

Comments: No payments in addition to employee entitlements were made to finishing employees during the reporting period.

If the local government made a payment to a finishing employee that is more than the amount set out in the policy, was local public notice given?

Response: N/A

Comments: No payments in addition to employee entitlements were made to finishing employees during the reporting period.

s. 5.51A

Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government?

Response: Yes

Comments: Adopted 30 May 2023.

Last amended (before or during compliance period): November 2023.

The Code of conduct was not adopted or amended during this review period, although an annual review is not required by legislation.

Has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?

Response: Yes

s. 5.67

Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the Local Government Act 1995, did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?

Response: Yes

s. 5.68(2)

Were all decisions regarding participation approval in relation to Section 5.68(2), including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting?

Response: N/A

Comments: No applications were made.

s. 5.69(5)

Were all decisions regarding participation approval in relation to Section 5.69(5), including the extent of participation allowed recorded in the minutes of the relevant council or committee meeting?

Response: N/A

Comments: No application required or made.

s. 5.70

Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?

Response: Yes

s. 5.71B(5) and (7)

Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the Local Government Act 1995 relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application?

Response: N/A

Comments: No application required or made.

Was any decision made by the Minister under section 5.71B(6) of the Local Government Act 1995, recorded in the minutes of the council meeting at which the decision was considered?

Response: N/A

Comments: No application required or made.

s. 5.73

Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the Local Government Act 1995 recorded in the minutes of the meeting at which the disclosures were made?

Response: Yes

s. 5.75

Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?

Response: Yes

s. 5.76

Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2025?

Response: Yes

s. 5.77

On receipt of a primary or annual return, did the CEO, or the Mayor/President, as the case may be, give written acknowledgment of having received the return?

Response: Yes

s. 5.88

Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995?

Response: Yes

Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28?

Response: Yes

After a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the Local Government Act 1995, did the CEO remove from the register all returns relating to that person?

Response: Yes

Have all returns removed from the register in accordance with section 5.88(3) of the Local Government Act 1995 been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?

Response: Yes

s. 5.89A

Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A?

Response: Yes

Did the CEO publish an up-to-date version of the gift register on the local government's website?

Response: Yes

s. 5.90A

Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?

Response: Yes

s. 5.94

Does the local government have information available for members of the public to inspect, free of charge as prescribed under section 5.94 and Admin Reg 29, except where restricted under this section?

Response: Yes

s. 5.96

Where a person is entitled to inspect information under this Division, can the local government confirm that copies are available and that the price at which it sells copies does not exceed the cost of providing them, (unless prescribed otherwise)?

Response: Yes

s. 5.96A

Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the Local Government Act 1995?

Response: Yes

s. 5.104

Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates that incorporates the model code of conduct?

Response: Yes

Comments: Adopted 28 April 2021 - Ordinary Meeting of Council - FPOL2104-8.

Last amended (before or during compliance period): 10 April 2024 – Ordinary Meeting of Council – C2404-6.

The Code of conduct was not adopted or amended during this review period, although an annual review is not required by legislation.

Did the local government adopt additional requirements in addition to the model code of conduct?

Response: Yes

Does it comply with section 5.104(3) and (4) of the Local Government Act 1995?

Response: Yes

Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website?

Response: Yes

s. 5.128

Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?

Response: Yes

s. 7.12A(3), (4) and (5)

Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the Local Government Act 1995 required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters?

Response: Yes

Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters?

Response: Yes

Was a copy of the report given to the Minister within three months of the audit report being received by the local government?

Response: Yes

Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the Local Government Act 1995, did the CEO publish a copy of the report on the local government's official website?

Response: Yes

Local Government (Administration) Regulations 1996

r. 18F

Were the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995?

Response: N/A

Comments: There were no vacancies for CEO in 2025. Only the CEO is designated as a senior employee.

r. 19AB

Does the code of conduct contain the requirement that a local government employee (not including the CEO) must not accept a prohibited gift from an associated person?

Response: Yes

r. 19AC

Does the local government's code of conduct include requirements for the recording, storing, disclosure, and use of information relating to gifts accepted by local government employees (excluding the CEO) from associated persons, in accordance with regulatory requirements?

Response: Yes

r. 19AE

Does the local government's code of conduct include requirements addressing employee behaviour in the performance of duties, interactions with others, use and disclosure of information, use of local government resources and finances, the keeping of records, and the reporting and management of suspected breaches and misconduct, in accordance with regulatory requirements?

Response: Yes

r. 19B

Did the local government include in its annual report all information required under section 5.53(2)(g) and (i) and regulation 3A(2), including number of employee's in salary bands over \$130,000, remuneration and allowances paid, ordered payments, CEO remuneration, council member meeting attendance, available demographic information about council members, and details of any modifications to the strategic community plan or significant modifications to the corporate business plan?

Response: Yes

r. 19C

Has the local government adopted by absolute majority a strategic community plan?

Response: Yes

Comments: Adopted 22 May 2024 - Ordinary Meeting of Council - C2405-11

Adoption date or the date of the most recent review: 22/05/2024

r. 19DA

Has the local government reviewed its corporate business plan in accordance with Admin Regulation 19DA(4)?

Response: Yes

Comments: Adopted 23 July 2025 - Ordinary Meeting of Council - C2507-8

Previous Corporate Plan 2024-2028 was adopted 26 June 2024 (C2406-13) and is now reviewed annually to align with the Annual Budget and Long Term Financial Plan.

Date of review: 23/07/2025

Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?

Response: Yes

r. 22

No response required. This is covered by s5.75.

r. 23

No response required. This is covered by s5.76.

r. 28

No response required. This is covered by s5.88(1).

r. 28A

No response required. This is covered by s5.89A(1).

r. 29

No response required. This is covered by s5.94.

r. 29C

Does the local government publish all prescribed information on its official website— including up-to-date policies, required details of council member and employee returns, council member fees and allowances, and relevant public notices—within the specified timeframes and in accordance with legislative requirements?

Response: Yes

r. 35

Has every local government council member completed and passed the Council Member Essentials course, consisting of the five required modules and delivered by an approved provider, within 12 months of being elected?

Response: N/A

Comments: No council members had overdue Council Member Essentials training during the 2025 compliance period. 12 months from the 2025 election is October 2026.

r. 36

Does the local government appropriately identify and document council members who are exempt from the training requirements under section 5.126(1), including verifying that the member:

- has completed an approved course within the specified 5-year period prior to election, or
- completed the LGASS00002 Elected Member Skill Set before 1 July 2019 within the relevant timeframe, or
- qualifies for the transitional exemption applicable to council members in office at the commencement of the 2019 regulatory amendments?

Response: Yes

Local Government (Audit) Regulations 1996

r. 10

Was the auditor's report for the financial year ending 30 June 2025 received by the local government within 30 days of completion of the audit?

Response: Yes

r. 17

Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2025?

Response: Yes

Comments: 10 December 2025 - Ordinary Meeting of Council - ARIC2512-4

Date of council's resolution to accept the report: 10/12/2025

Local Government (Constitution) Regulations 1998

r. 11FA

Did the CEO provide the Minister a report as to the result of the election within 14 days of the declaration and in the form of Form 20 of the Local Government (Elections) Regulations 1997, modified as necessary?

Response: Yes

r. 13

Were all required oaths, affirmations and declarations under section 2.42 (in relation to Commissioners) made in the correct form (Form 8), before the appropriate authorised person?

Response: N/A

Comments: No Commissioners were appointed during the audit period.

Local Government (Elections) Regulations 1997

r. 30G

Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997?

Response: Yes

Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997?

Response: Yes

Did the CEO publish an up-to-date version of the electoral gift register on the local government's official website in accordance with regulation 30G(5) of the Local Government (Elections) Regulations 1997?

Response: Yes

Local Government (Financial Management) Regulations 1996

r. 5

Has the CEO ensured efficient systems and procedures are established under provisions set out in Financial Management Regulations 5(1)(a) to (g)?

Response: Yes

r. 6

Has the local government ensured that any employee delegated responsibility for day-to-day accounting or financial management operations is not also delegated the responsibility for conducting internal audits, reviewing their own duties, or for managing, directing or supervising someone who carries out these functions?

Response: Yes

r. 7

Did the local government ensure it has regard to the needs of the inhabitants of the district as a whole and not keep separate ward accounts or determine expenditure on the basis of revenue from a ward?

Response: Yes

r. 8

Does the local government maintain separate accounts with a bank or other financial institution for money to be held in the municipal fund, trust fund and for reserve account purposes?

Response: Yes

r. 9

Did the local government keep separate financial records for each trading undertaking and each major land transaction?

Response: N/A

Comments: No major trading undertakings in the 2025 period.

r. 11

Has the local government developed procedures for the authorisation of, and the payment of, accounts in accordance with Local Government (Financial Management) Regulations 11(1), (2) and (3)?

Response: Yes

r. 12

Were payments made from the municipal fund or trust fund made by the CEO under a delegated authority or authorised, in accordance with regulation 13(2), in advance by a council resolution?

Response: Yes

r. 13

Can the local government confirm that, where the CEO has been delegated authority to make payments from the municipal or trust fund, the CEO prepared accurate monthly lists that are presented at the next ordinary council meeting and recorded in the minutes?

- includes the payee's name, payment amount, payment date, and sufficient information to identify each transaction where payments have already been made; or
- includes the payee's name, payment amount, sufficient information to identify each transaction, and the date of the council meeting (to which the list will be presented) for accounts requiring council approval.

Response: Yes

r. 13A

Did the local government prepare a list each month of all payments made using employee-authorised credit, debit or other purchasing cards, and include the payee's name, the amount of the payment, the date of the payment, sufficient information to identify the payment, and present the list at the next ordinary council meeting (and record in the minutes)?

Response: No

Comments: The City provided the following to Council monthly:

- (a) the payee's name;
- (b) the amount of the payment;
- (c) the date of the payment;

An audit finding identified that the following requirement of regulation 13A (1), was not met on all occasions: (d) sufficient information to identify the payment.

It is noted that this finding was identified in the management of purchasing cards audit. In response to this finding and recommendation, the City is reviewing the report provided to Council each month and will make appropriate amendments to ensure sufficient information is provided to satisfy this requirement.

r. 19

Has the local government established and documented internal control procedures to enable identification of the nature and location of all investments and any related transactions?

Response: Yes

r. 19C

Has the local government ensured that all investments made under section 6.14(1) comply with statutory restrictions set out in Financial Management Reg. 19C?

Response: Yes

Local Government (Functions and General) Regulations 1996

r. 7

No response required. This is covered by s3.59(2).

r. 9

No response required. This is covered by s3.59(2).

r. 10

No response required. This is covered by s3.59(2).

r. 11A

Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?

Response: Yes

r. 11

No response required. This is covered by s3.57.

r. 12

Did the local government consider the implications of Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?

Response: N/A

Comments: The City did not enter into multiple contracts to avoid tendering requirements. Where multiple contracts are used it is not for the purpose of circumventing the requirements of Regulation 12.

r. 14(1), (3) and (5)

If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents, or each acceptable tenderer notice of the variation?

Response: Yes

r. 15

Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?

Response: No

Comments: The City generally complied with the requirements of Local Government (Functions and General) Regulations 1996, Regulations 15 and 16. However, the City did not fully comply with Regulation 16(3)(c), as some details of tenders were not recorded in the tenders register "immediately" after opening. It was found that the names of respondents were not recorded immediately in the register after opening.

Procedures are being reviewed and updated to address this requirement, based on advice that "immediately" suggests "by end of day".

r. 16

No response required. This is covered by r. 15.

r. 17

Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?

Response: Yes

r. 18(1) and (4)

Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender?

Response: Yes

Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?

Response: Yes

r. 19

Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?

Response: Yes

r. 21

Does the local government's advertising and expression of interest processes for limiting who can tender comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?

Response: N/A

Comments: No EOIs were sought in 2025.

Processes reflect the requirements.

r. 22

No response required. This is covered by r. 21.

r. 23

Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice?

Response: N/A

Comments: No EOIs were sought in 2025.

Processes reflect the requirements.

Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?

Response: N/A

Comments: No EOIs were sought in 2025.

Processes reflect the requirements.

r. 24

Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24?

Response: N/A

Comments: No EOIs were sought in 2025.

Processes reflect the requirements.

r. 24AD(2), (4) and (6)

Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions & General) Regulations 1996 regulations 24AD(4) and 24AE?

Response: Yes

If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?

Response: Yes

r. 24AE

No response required. This is covered by r. 24AD(2), (4) and (6).

r. 24AF

No response required. This is covered by r. 24AD(2), (4) and (6).

r. 24AG

Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG?

Response: Yes

r. 24AH(1) and (3)

Did the local government reject any applications to join a panel of prequalified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications?

Response: N/A

Comments: No panel rejections were made in 2025.

Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?

Response: N/A

Comments: No panel rejections were made in 2025.

r. 24AI

Did the CEO send each applicant written notice advising them of the outcome of their application?

Response: Yes

r. 24E

Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?

Response: N/A

Comments: Does not apply to the City of Fremantle.

r. 24F

No response required. This is covered by r. 24E.

I certify this is a true and accurate copy of the 2025 Compliance Audit Return, as adopted by Council at the meeting of _____ 2026.

CEO

Date

Mayor or President

Date

**City of Fremantle
Audit, Risk and Improvement Committee - Agenda
14 September 2026**

OFFICIAL

**ARIC2609-1.2
Compliance Audit Return 2025 - with audit notes**

Compliance Audit Return 2025 Questions					
Regulation 14 of the Local Government (Audit) Regulations 1996 requires local governments to carry out a compliance audit return for the period of 1 January to 31 December of each year.					
Local Government Act 1995					
Reference	Question	Response	Comments	Internal comment for ARIC/OCM report	Respondent
s. 2.29	Has every person elected or appointed to a mayor, president, deputy, or councillor role made the required declaration in the prescribed form before a prescribed person, prior to acting in the office?	Yes		Completed 22 October 2025 & 23 October 2023 Evidence sighted	Manager Governance
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?	NA	Council commenced its review of local laws on 12 March 2025 (C2503-6). During the audit period, the City completed a review of two local laws on 25 June 2025 (C2506-10). Reviews of all remaining applicable local laws are scheduled to be completed by December 2026 (in accordance with Schedule 9.3, Clause 65).	Ordinary Meeting of Council - 12 March 2025 Ordinary Meeting of Council - 25 June 2025 Evidence sighted	Manager Governance
s. 3.57	Subject to Local Government (Functions and General) Regulations 1996, regulation 11(2), did the local government invite tenders for all contracts for the supply of goods or services where the consideration under the contract was, or was expected to be, worth more than the consideration stated in regulation 11(1) of the Regulations?	Yes		Evidence sighted. https://www.fremantle.wa.gov.au/business-and-investment/tenders-and-quotations/public-contract-register/	Manager Commercial Services
s. 3.58(3)	Where the local government disposed of property other than by public auction or tender, did it dispose of the property in accordance with section 3.58(3) of the Local Government Act 1995 (unless section 3.58(5) applies)?	Yes		Evidence sighted. https://www.fremantle.wa.gov.au/wp-content/uploads/2026/09/Public-Notice-City-of-Fremantle-Disposal-of-Property-document.pdf	Manager Commercial Services
s. 3.58(4)	Where the local government disposed of property under section 3.58(3) of the Local Government Act 1995, did it provide details, as prescribed by section 3.58(4) of the Act, in the required local public notice for each disposal of property?	Yes		Evidence sighted. https://www.fremantle.wa.gov.au/wp-content/uploads/2026/09/Public-Notice-City-of-Fremantle-Disposal-of-Property-document.pdf	Manager Commercial Services
s. 3.59(2)(a)	Has the local government prepared a business plan for each major trading undertaking that was not exempt in 2025?	NA	No major trading undertakings in the 2025 period.		Manager Commercial Services
s. 3.59(2)(b)	Has the local government prepared a business plan for each major land transaction that was not exempt in 2025?	NA	No major land transactions in the 2025 period.		Manager Commercial Services
s. 3.59(2)(c)	Has the local government prepared a business plan before entering into each land transaction that was preparatory to entry into a major land transaction in 2025?	NA	No major land transactions in the 2025 period.		Manager Commercial Services
s. 3.59(4)	Has the local government complied with public notice and publishing requirements for each proposal to commence a major trading undertaking or enter into a major land transaction or a land transaction that is preparatory to a major land transaction for 2025?	NA	No major trading or land transactions entered into in the 2025 period.		Manager Commercial Services
s. 3.59(5)	During 2025, did the council resolve to proceed with each major land transaction or trading undertaking by absolute majority?	NA	No major trading or land transactions entered into in the 2025 period.		Manager Commercial Services

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s. 5.16 (1)	Were all delegations to committees resolved by absolute majority?	NA	No delegations to committees were considered or approved by Council during the audit period. Revoked delegations to Committees: 28/08/2024 Renewed delegations to Committees: 27/05/2026		Manager Governance
s. 5.16 (2)	Were all delegations to committees in writing?	NA	No delegations to committees were made during the audit period. Revoked delegations to Committees: 28/08/2024 Renewed delegations to Committees: 27/05/2026		Manager Governance
s. 5.17	Were all delegations to committees within the limits specified in section 5.17 of the <i>Local Government Act 1995</i> ?	NA	No delegations to committees were made during the audit period. Revoked delegations to Committees: 28/08/2024 Renewed delegations to Committees: 27/05/2026		Manager Governance
s. 5.18	Were all delegations to committees recorded in a register of delegations?	NA	No delegations to committees were made during the audit period and therefore no entries were required in the Delegations Register. Revoked delegations to Committees: 28/08/2024 Renewed delegations to Committees: 27/05/2026		Manager Governance
s. 5.36(4) & s. 5.37(3)	Were all CEO and/or senior employee vacancies advertised in accordance with Local Government (Administration) Regulations 1996, regulation 18A?	NA	There were no vacancies for CEO in 2025. Only the CEO is designated as a senior employee.		Manager People and Culture
s. 5.37(2)	Did the CEO inform council of each proposal to employ or dismiss senior employee? Where council rejected a CEO's recommendation to employ or dismiss a senior employee, did it inform the CEO of the reasons for doing so?	NA	There were no appointments or dismissals of senior employees in 2025. Only the CEO is designated as a senior employee.		Manager People and Culture
s. 5.39B	Has the local government adopted and maintained model standards that incorporate the prescribed model standards within required timeframes (including amendments), ensured adoption by absolute majority, published an up-to-date version on its official website, and avoided including any inconsistent additional provisions?	NA	No changes were made to Model Standards during the reporting period.	Model Code of Conduct changes started 1 January 2026.	Manager Governance
s. 5.42	Were all delegations to the CEO resolved by an absolute majority? Were all delegations to the CEO in writing?	Yes		Ordinary Meeting of Council - 25 June 2025 Evidence sighted	Manager Governance
s. 5.43	Did the powers and duties delegated to the CEO exclude those listed in section 5.43 of the <i>Local Government Act 1995</i> ?	Yes		Evidence sighted. Notification of delegation letter sighted. https://www.fremantle.wa.gov.au/your-city-and-council/public-registers/ > Register of Delegated Authority	Manager Governance
s. 5.44(2)	Were all employees delegated authority by the CEO under Section 5.44(1), issued with a written instrument of delegation?	Yes		Evidence sighted. Notification of delegation letters sighted. https://www.fremantle.wa.gov.au/your-city-and-council/public-registers/ > Register of Delegated Authority	Manager Governance

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s. 5.45(1)(b)	Were all decisions by the Council to amend or revoke a delegation made by absolute majority?	Yes		Ordinary Meeting of Council - 25 June 2025 Evidence sighted	Manager Governance
s. 5.46	Has the CEO kept a register of all delegations made under Division 4 of the <i>Local Government Act 1995</i> to the CEO and to employees? Were all delegations made under Division 4 reviewed by the delegator at least once during the 2024/2025 financial year? Did all persons exercising a delegated power or duty under the Act keep, on all occasions, a written record in accordance with Local Government (Administration) Regulations 1996, regulation 19?	Yes		Evidence sighted.	Manager Governance
s. 5.50	If the local government paid a finishing employee an amount in addition to their entitlement, did the local government follow a policy it had adopted and published on the website? outlining the circumstances in relation to payments made to terminated employees? If the local government made a payment to a finishing employee that is more than the amount set out in the policy, was local public notice given?	NA	No payments in addition to employee entitlements were made to finishing employees during the reporting period.		Manager People and Culture
s. 5.51A	Has the CEO prepared and implemented a code of conduct to be observed by employees of the local government? If yes, has the CEO published an up-to-date version of the code of conduct for employees on the local government's website?	Yes	Adopted 30 May 2023. Last amended (before or during compliance period): November 2023. The Code of conduct was not adopted or amended during this review period, although an annual review is not required by legislation.	https://www.fremantle.wa.gov.au/your-city-and-council/about-council/strategies-plans-local-laws-and-policies/ > Code of Conduct for Employees	Manager People and Culture
s. 5.67	Where a council member disclosed an interest in a matter and did not have participation approval under sections 5.68 or 5.69 of the <i>Local Government Act 1995</i> , did the council member ensure that they did not remain present to participate in discussion or decision making relating to the matter?	Yes		Evidence sighted. OCM - 26 March 2025 OCM - 9 April 2025 OCM - 14 May 2025 ARMC - 16 June 2025 OCM - 25 June 2025 OCM - 13 Aug 2025 OCM - 24 Sept 2025 OCM - 8 October 2025	Manager Governance
s. 5.68(2)	Were all decisions regarding participation approval in relation to Section 5.68(2), including the extent of participation allowed and, where relevant, the information required by the Local Government (Administration) Regulations 1996 regulation 21A, recorded in the minutes of the relevant council or committee meeting?	NA	No applications were made.		Manager Governance
s. 5.69(5)	Were all decisions regarding participation approval in relation to Section 5.69(5), including the extent of participation allowed recorded in the minutes of the relevant council or committee meeting?	NA	No application required or made.		Manager Governance

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s. 5.70	Where an employee had an interest in any matter in respect of which the employee provided advice or a report directly to council or a committee, did that person disclose the nature and extent of that interest when giving the advice or report?	Yes		Evidence sighted.	Manager Governance
s. 5.71B(5) and (7)	Where council applied to the Minister to allow the CEO to provide advice or a report to which a disclosure under section 5.71A(1) of the <i>Local Government Act 1995</i> relates, did the application include details of the nature of the interest disclosed and any other information required by the Minister for the purposes of the application? Was any decision made by the Minister under section 5.71B(6) of the <i>Local Government Act 1995</i> , recorded in the minutes of the council meeting at which the decision was considered?	NA	No application required or made.		Manager Governance
s. 5.73	Were disclosures under sections 5.65, 5.70 or 5.71A(3) of the <i>Local Government Act 1995</i> recorded in the minutes of the meeting at which the disclosures were made?	Yes		Evidence sighted. OCM - 26 March 2025 OCM - 9 April 2025 OCM - 14 May 2025 ARMC - 16 June 2025 OCM - 25 June 2025 OCM - 13 Aug 2025 OCM - 24 Sept 2025 OCM - 8 October 2025	Manager Governance
s. 5.75	Was a primary return in the prescribed form lodged by all relevant persons within three months of their start day?	Yes		Evidence sighted.	Manager Governance
s. 5.76	Was an annual return in the prescribed form lodged by all relevant persons by 31 August 2025?	Yes		Evidence sighted.	Manager Governance
s. 5.77	On receipt of a primary or annual return, did the CEO, or the Mayor/President, as the case may be, give written acknowledgment of having received the return?	Yes		Evidence sighted.	Manager Governance

s. 5.88	Did the CEO keep a register of financial interests which contained the returns lodged under sections 5.75 and 5.76 of the Local Government Act 1995? Did the CEO keep a register of financial interests which contained a record of disclosures made under sections 5.65, 5.70, 5.71 and 5.71A of the Local Government Act 1995, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28? After a person ceased to be a person required to lodge a return under sections 5.75 and 5.76 of the <i>Local Government Act 1995</i>, did the CEO remove from the register all returns relating to that person? Have all returns removed from the register in accordance with section 5.88(3) of the <i>Local Government Act 1995</i> been kept for a period of at least five years after the person who lodged the return(s) ceased to be a person required to lodge a return?	Yes		Evidence sighted. Public version of register: https://www.fremantle.wa.gov.au/your-city-and-council/public-registers/ > Register of Primary and Annual Returns.	Manager Governance
s. 5.89A	Did the CEO keep a register of gifts which contained a record of disclosures made under sections 5.87A and 5.87B of the <i>Local Government Act 1995</i>, in the form prescribed in the Local Government (Administration) Regulations 1996, regulation 28A? Did the CEO publish an up-to-date version of the gift register on the local government's website?	Yes		Evidence sighted. Public version of register: https://www.fremantle.wa.gov.au/your-city-and-council/public-registers/ > Gift Registers	Manager Governance
s. 5.90A	Did the local government prepare, adopt by absolute majority and publish an up-to-date version on the local government's website, a policy dealing with the attendance of council members and the CEO at events?	Yes		Evidence sighted. https://www.fremantle.wa.gov.au/your-city-and-council/about-council/strategies-plans-local-laws-and-policies/ > Elected Member and Chief Executive Officer Attendance at Events Council Policy	Manager Governance
s. 5.94	Does the local government have information available for members of the public to inspect, free of charge as prescribed under section 5.94 and Admin Reg 29, except where restricted under this section?	Yes		Evidence sighted.	Manager Governance
s. 5.96	Where a person is entitled to inspect information under this Division, can the local government confirm that copies are available and that the price at which it sells copies does not exceed the cost of providing them, (unless prescribed otherwise)?	Yes		Evidence sighted. Most available electronically on the City's website, or available on request, without a fee. Fees set in Fees and Charges (if applicable).	Manager Governance

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s. 5.96A	Did the CEO publish information on the local government's website in accordance with sections 5.96A(1), (2), (3), and (4) of the <i>Local Government Act 1995</i> ?	Yes		Evidence sighted. Section 5.96A(1) - Information that must be published: - District/ward boundaries map - Consolidated local laws in force - Annual budget - Fees and charges - Current plans for the future (Strategic Community Plan) - Council and Committee Minutes - Electors meeting minutes - Agendas, notice papers and meeting reports - Prescribed information (Delegations, financial returns, Gifts, allowances etc.) No evidence of publication of information prohibited by s. 5.96A(4).	Manager Governance
s. 5.104	Did the local government prepare and adopt, by absolute majority, a code of conduct to be observed by council members, committee members and candidates that incorporates the model code of conduct? Did the local government adopt additional requirements in addition to the model code of conduct? If yes, does it comply with section 5.104(3) and (4) of the <i>Local Government Act 1995</i> ? Has the CEO published an up-to-date version of the code of conduct for council members, committee members and candidates on the local government's website?	Yes	Adopted 28 April 2021 - Ordinary Meeting of Council -FPOL2104-8. Last amended (before or during compliance period): 10 April 2024 – Ordinary Meeting of Council – C2404-6. The Code of conduct was not adopted or amended during this review period, although an annual review is not required by legislation.	https://www.fremantle.wa.gov.au/your-city-and-council/about-council/strategies-plans-local-laws-and-policies/ > Council Members, Committee Members and Candidates Code of Conduct	Manager Governance
s. 5.128	Did the local government prepare and adopt (by absolute majority) a policy in relation to the continuing professional development of council members?	Yes		https://www.fremantle.wa.gov.au/your-city-and-council/about-council/strategies-plans-local-laws-and-policies/ > Elected Member Professional Development Council Policy	Manager Governance
s.7.12A(3), (4) and (5)	Where the local government determined that matters raised in the auditor's report prepared under section 7.9(1) of the <i>Local Government Act 1995</i> required action to be taken, did the local government ensure that appropriate action was undertaken in respect of those matters? Where matters identified as significant were reported in the auditor's report, did the local government prepare a report that stated what action the local government had taken or intended to take with respect to each of those matters? Was a copy of the report given to the Minister within three months of the audit report being received by the local government? Within 14 days after the local government gave a report to the Minister under section 7.12A(4)(b) of the <i>Local Government Act 1995</i> , did the CEO publish a copy of the report on the local government's official website?	Yes		Evidence sighted. Matters are addressed through the quarterly Audit Actions Update report to the Audit, Risk and Improvement Committee. Confidential attachments include findings and action plans. https://www.fremantle.wa.gov.au/wp-content/uploads/2025/12/City-of-Fremantle-Report-on-Significant-Finding-from-OAG-Information-Systems-Audit-YE-June-2025.pdf https://www.fremantle.wa.gov.au/wp-content/uploads/2025/08/City-of-Fremantle-Report-on-Significant-Finding-from-OAG-Purchase-Card-Audit-2025.pdf	Manager Financial Services

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Local Government (Administration) Regulations 1996					
Reference	Question	Response	Comments	Internal comment for ARIC/OCM report	Respondent
Reg 18F	Was the remuneration and other benefits paid to a CEO on appointment the same remuneration and benefits advertised for the position under section 5.36(4) of the Local Government Act 1995?	NA	There were no vacancies for CEO in 2025. Only the CEO is designated as a senior employee.		Manager People and Culture
Reg 19AB	Does the code of conduct contain the requirement that a local government employee (not including the CEO) must not accept a prohibited gift from an associated person?	Yes		Section 6 - Gifts https://www.fremantle.wa.gov.au/your-city-and-council/about-council/strategies-plans-local-laws-and-policies/ > Code of Conduct for Employees	Manager Governance
Reg 19AC	Does the local government's code of conduct include requirements for the recording, storing, disclosure, and use of information relating to gifts accepted by local government employees (excluding the CEO) from associated persons, in accordance with regulatory requirements?	Yes		Section 6 - Gifts https://www.fremantle.wa.gov.au/your-city-and-council/about-council/strategies-plans-local-laws-and-policies/ > Code of Conduct for Employees	Manager Governance
Reg 19AE	Does the local government's code of conduct include requirements addressing employee behaviour in the performance of duties, interactions with others, use and disclosure of information, use of local government resources and finances, the keeping of records, and the reporting and management of suspected breaches and misconduct, in accordance with regulatory requirements?	Yes		Section 4 - Expected behaviours Section 5 - Communication and Community Engagement Section 8 - Use of information and resources Section 9 - Reporting https://www.fremantle.wa.gov.au/your-city-and-council/about-council/strategies-plans-local-laws-and-policies/ > Code of Conduct for Employees	Manager People and Culture
Reg 19B	Did the local government include in its annual report all information required under section 5.53(2)(g) and (i) and regulation 3A(2), including number of employee's in salary bands over \$130,000, remuneration and allowances paid, ordered payments, CEO remuneration, council member meeting attendance, available demographic information about council members, and details of any modifications to the strategic community plan or significant modifications to the corporate business plan?	Yes		Evidence sighted. https://www.fremantle.wa.gov.au/wp-content/uploads/2025/12/CoF-Annual-Report-2024-25-WEB-1-1.pdf	Manager Governance
Reg 19C	Has the local government adopted by absolute majority a strategic community plan? If yes, provide the date of the most recent review?	Yes	Adopted 22 May 2024 - Ordinary Meeting of Council - C2405-11	https://www.fremantle.wa.gov.au/wp-content/uploads/2025/04/City-of-Fremantle-Strategic-Community-Plan-2024-2034-1.pdf	Manager Governance
Reg 19DA	Has the local government reviewed its corporate business plan in accordance with Admin Regulation 19DA(4) ? If yes, provide date of review Does the corporate business plan comply with the requirements of Local Government (Administration) Regulations 1996 19DA(2) & (3)?	Yes	Adopted 23 July 2025 - Ordinary Meeting of Council - C2507-8 Previous Corporate Plan 2024-2028 was adopted 26 June 2024 (C2406-13) and is now reviewed annually to align with the Annual Budget and Long Term Financial Plan.	Evidence sighted. https://www.fremantle.wa.gov.au/wp-content/uploads/2025/07/City-of-Fremantle-Corporate-Plan-2025-29.pdf	Manager Governance
Reg 22	Asked as part of question s5.75	-		The prescribed form is used for a primary return submission.	Manager Governance
Reg 23	Asked as part of question s5.76	-		The prescribed form is used for an annual return submission.	Manager Governance
Reg 28	Asked as part of question s5.88(1)	-		The prescribed form is used for the register financial interests.	Manager Governance

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Reg 28A	Asked as part of question s5.89A(1)	-		The prescribed form is used for the register of gifts.	Manager Governance
Reg 29	Asked as part of question s5.94	-		Evidence sighted. All information either publicly available on the City's website or available upon request.	Manager Governance
Reg 29C	Does the local government publish all prescribed information on its official website— including up-to-date policies, required details of council member and employee returns, council member fees and allowances, and relevant public notices—within the specified timeframes and in accordance with legislative requirements?	Yes		Evidence sighted. Timelines for publication followed. https://www.fremantle.wa.gov.au/your-city-and-council/about-council/strategies-plans-local-laws-and-policies/ https://www.fremantle.wa.gov.au/your-city-and-council/public-registers/ https://www.fremantle.wa.gov.au/your-city-and-council/public-notice/	Manager Governance
Reg 35	Has every local government council member completed and passed the Council Member Essentials course, consisting of the five required modules and delivered by an approved provider, within 12 months of being elected?	NA	No council members had overdue Council Member Essentials training during the 2025 compliance period. 12 months from the 2025 election is October 2026.		Manager Governance
Reg 36	Does the local government appropriately identify and document council members who are exempt from the training requirements under section 5.126(1), including verifying that the member: - has completed an approved course within the specified 5-year period prior to election, or - completed the LGASS00002 Elected Member Skill Set before 1 July 2019 within the relevant timeframe, or - qualifies for the transitional exemption applicable to council members in office at the commencement of the 2019 regulatory amendments?	Yes		The City verifies exemption eligibility before enrolment. WALGA confirmed that Mayor Ben Lawver, Cr Fedele Camarda and Cr Andrew Sullivan met the exemption criteria, having completed the required training within the relevant five-year period. These members were nevertheless encouraged to undertake the updated Council Member Essentials training to maintain awareness of recent legislative reforms.	Manager Governance
Local Government (Audit) Regulations 1996					
Reference	Question	Response	Comments	Internal comment for ARIC/OCM report	Respondent
Reg 10	Was the auditor's report for the financial year ending 30 June 2025 received by the local government within 30 days of completion of the audit?	Yes		Submission and acknowledgement sighted.	Manager Financial Services
Reg 17	Did the CEO review the appropriateness and effectiveness of the local government's systems and procedures in relation to risk management, internal control and legislative compliance in accordance with Local Government (Audit) Regulations 1996 regulation 17 within the three financial years prior to 31 December 2025? If yes, provide date of council's resolution to accept the report.	Yes	10 December 2025 - Ordinary Meeting of Council - ARIC2512-4	Regulation 17 audit completed December 2025.	Manager Governance
Local Government (Constitution) Regulations 1998					
Reference	Question	Response	Comments	Internal comment for ARIC/OCM report	Respondent
Reg 11FA	Did the CEO provide the Minister a report as to the result of the election within 14 days of the declaration and in the form of Form 20 of the Local Government (Elections) Regulations 1997, modified as necessary?	Yes		The CEO submitted a Form 20 for the election of the Deputy Mayor. The WAEC appointed Returning Officer completed the Form 20 for the remainder on behalf of the City.	Manager Governance

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Reg 13	Were all required oaths, affirmations and declarations under section 2.42 (in relation to Commissioners) made in the correct form (Form 8), before the appropriate authorised person?	NA	No Commissioners were appointed during the audit period.		Manager Governance
Local Government (Elections) Regulations 1997					
Reference	Question	Response	Comments	Internal comment for ARIC/OCM report	Respondent
Reg 30G	Did the CEO establish and maintain an electoral gift register and ensure that all disclosure of gifts forms completed by candidates and donors and received by the CEO were placed on the electoral gift register at the time of receipt by the CEO and in a manner that clearly identifies and distinguishes the forms relating to each candidate in accordance with regulations 30G(1) and 30G(2) of the Local Government (Elections) Regulations 1997? Did the CEO remove any disclosure of gifts forms relating to an unsuccessful candidate, or a successful candidate that completed their term of office, from the electoral gift register, and retain those forms separately for a period of at least two years in accordance with regulation 30G(4) of the Local Government (Elections) Regulations 1997?	Yes		Evidence sighted. https://www.fremantle.wa.gov.au/your-city-and-council/public-registers/ > Electoral gift registers.	Manager Governance
Local Government (Financial Management) Regulations 1996					
Reference	Question	Response	Comments	Internal comment for ARIC/OCM report	Respondent
Reg 5	Has the CEO ensured efficient systems and procedures are established under provisions set out in Financial Management Regulations 5(1)(a) to (g)?	Yes		Systems and procedures sighted. Audit recommendations from the 2023 Regulation 5 audit have been implemented.	Manager Financial Services
Reg 6	Has the local government ensured that any employee delegated responsibility for day-to-day accounting or financial management operations is not also delegated the responsibility for conducting internal audits, reviewing their own duties, or for managing, directing or supervising someone who carries out these functions?	Yes		Confirmed. Evidence sighted.	Manager Financial Services
Reg 7	Did the local government ensure it has regard to the needs of the inhabitants of the district as a whole and not keep separate ward accounts or determine expenditure on the basis of revenue from a ward?	Yes		Annual budget and financial statements include a single, consolidated municipal fund with no ward-based cost centres or ward accounts.	Manager Financial Services
Reg 8	Does the local government maintain separate accounts with a bank or other financial institution for money to be held in the municipal fund, trust fund and for reserve account purposes?	Yes		The City maintains a number of separate bank accounts as per the requirements of the regulations. Details of the accounts were provided and verified as part of the audit process.	Manager Financial Services
Reg 9	Did the local government keep separate financial records for each trading undertaking and each major land transaction?	NA	No major trading undertakings in the 2025 period.		Manager Financial Services

Reg 11	Has the local government developed procedures for the authorisation of, and the payment of, accounts in accordance with Local Government (Financial Management) Regulations 11(1), (2) and (3)?	Yes		Key controls include: -POs are raised in accordance with the Procurement Policy and approved by officers with appropriate delegated authority. -AP Officers process invoices and prepare payment runs, which are subject to peer review. -The Financial Transactions Coordinator performs a further review of payment transactions and verifies bank account details using EFTsure. -Transactions requiring clarification are removed from the payment run, recorded in M-Files, and referred to the relevant Team Leader and/or Finance Manager for review and resolution. -Approved payment runs are transferred directly to the bank through a secure system link, with no opportunity for manual manipulation, and are approved online by officers with delegated authority. -Bank reconciliations and AP reconciliations are performed to ensure the accuracy and completeness of payments. These controls provide appropriate segregation of duties and multiple levels of review and authorisation prior to payment.	Manager Financial Services
Reg 12	Were payments made from the municipal fund or trust fund made by the CEO under a delegated authority or authorised, in accordance with regulation 13(2), in advance by a council resolution?	Yes		Delegation 2.5 Payments from municipal or trust fund.	Manager Governance
Reg 13	Can the local government confirm that, where the CEO has been delegated authority to make payments from the municipal or trust fund, the CEO prepared accurate monthly lists that are presented at the next ordinary council meeting and recorded in the minutes that: - include the payee's name, payment amount, payment date, and sufficient information to identify each transaction where payments have already been made; or - include the payee's name, payment amount, sufficient information to identify each transaction, and the date of the council meeting (to which the list will be presented) for accounts requiring council approval?	Yes		Reported monthly to the Ordinary Meeting of Council.	Manager Financial Services
Reg 13A	Did the local government prepare a list each month of all payments made using employee-authorised credit, debit or other purchasing cards, and include the payee's name, the amount of the payment, the date of the payment, sufficient information to identify the payment, and present the list at the next ordinary council meeting (and record in the minutes)?	No	The City provided the following to Council monthly: (a) the payee's name; (b) the amount of the payment; (c) the date of the payment; An audit finding identified that the following requirement of regulation 13A (1), was not met on all occasions: (d) sufficient information to identify the payment. It is noted that this finding was identified in the management of purchasing cards audit. In response to this finding and recommendation, the City is reviewing the report provided to Council each month and will make appropriate amendments to ensure sufficient information is provided to satisfy this requirement.	Adoption of Audit finding: 25 June 2025 - Ordinary Meeting of Council - ARMC2506-2 Monthly report to Council via the Schedule of Payments report.	Manager Commercial Services

Reg 19	Has the local government established and documented internal control procedures to enable identification of the nature and location of all investments and any related transactions?	Yes		Key controls include: - All investments are made in accordance with the City's Investment Policy and supported by cash flow forecasting to maximise investment returns while ensuring sufficient liquidity to meet cash flow requirements. - Investments are arranged through the Treasury Direct platform, with investment rates quoted through the platform and investments approved by authorised officers. - Investment funds are transferred in accordance with Treasury Direct investment instructions and approved by officers with appropriate delegated financial authority. - All investment transactions are reconciled through bank and General Ledger reconciliations. - A month-end investment report from Treasury Direct is reviewed and submitted to Council as part of the monthly Council reporting process.	Manager Financial Services
Reg 19C	Has the local government ensured that all investments made under section 6.14(1) comply with statutory restrictions set out in Financial Management Reg. 19C?	Yes		All investments are term deposits with terms of no more than one year and are placed only with authorised financial institutions that meet the minimum credit rating requirements specified in the City's Investment Policy. Investments are made in Australian currency and do not include non-government-guaranteed bonds or foreign currency investments. Investment transactions are approved by officers with appropriate delegated authority and are monitored through Treasury Direct, bank and General Ledger reconciliations, and monthly reporting to Council.	Manager Financial Services
Local Government (Functions and General) Regulations 1996					
Reference	Question	Response		Internal comment for ARIC/OCM report	Respondent
Reg 7	Asked as part of question s3.59(2)	-		No major land transactions in the 2025 period.	Manager Commercial Services
Reg 9	Asked as part of question s3.59(2)	-		No major land transactions in the 2025 period.	Manager Commercial Services
Reg 10	Asked as part of question s3.59(2)	-		No major land transactions in the 2025 period.	Manager Commercial Services
Reg 11A	Did the local government comply with its current purchasing policy, adopted under the Local Government (Functions and General) Regulations 1996, regulations 11A(1) and (3) in relation to the supply of goods or services where the consideration under the contract was, or was expected to be, \$250,000 or less or worth \$250,000 or less?	Yes		Evidence sighted.	Manager Commercial Services
Reg 11	Asked as part of question s3.57	-		Evidence sighted. https://www.fremantle.wa.gov.au/business-and-investment/tenders-and-quotations/public-contract-register/	Manager Commercial Services
Reg 12	Did the local government consider the implications of Local Government (Functions and General) Regulations 1996, Regulation 12 when deciding to enter into multiple contracts rather than a single contract?	NA	The City did not enter into multiple contracts to avoid tendering requirements. Where multiple contracts are used it is not for the purpose of circumventing the requirements of Regulation 12.	Evidence sighted. Procurement Council Policy - Section 15: Anti-Avoidance https://www.fremantle.wa.gov.au/your-city-and-council/about-council/strategies-plans-local-laws-and-policies/ > Procurement Council Policy	Manager Commercial Services

**City of Fremantle
Audit, Risk and Improvement Committee - Agenda
14 September 2026**

OFFICIAL

**ARIC2609-1.2
Compliance Audit Return 2025 - with audit notes**

Reg 14(1), (3) and (5)	If the local government sought to vary the information supplied to tenderers, was every reasonable step taken to give each person who sought copies of the tender documents, or each acceptable tenderer notice of the variation?	Yes		Evidence sighted. Via addendum's in every case.	Manager Commercial Services
Reg 15	Did the local government's procedure for receiving and opening tenders comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 15 and 16?	No	The City generally complied with the requirements of Local Government (Functions and General) Regulations 1996, Regulations 15 and 16. However, the City did not fully comply with Regulation 16(3)(c), as some details of tenders were not recorded in the tenders register "immediately" after opening. It was found that the names of respondents were not recorded immediately in the register after opening. Procedures are being reviewed and updated to address this requirement, based on advice that "immediately" suggests "by end of day".		Manager Commercial Services
Reg 16	Asked as part of question Reg 15	-			Manager Commercial Services
Reg 17	Did the information recorded in the local government's tender register comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulation 17 and did the CEO make the tenders register available for public inspection and publish it on the local government's official website?	Yes		Evidence sighted. https://www.fremantle.wa.gov.au/business-and-investment/tenders-and-quotations/public-contract-register/	Manager Commercial Services
Reg 18(1) and (4)	Did the local government reject any tenders that were not submitted at the place, and within the time, specified in the invitation to tender? Were all tenders that were not rejected assessed by the local government via a written evaluation of the extent to which each tender satisfies the criteria for deciding which tender to accept?	Yes		Evidence sighted.	Manager Commercial Services
Reg 19	Did the CEO give each tenderer written notice containing particulars of the successful tender or advising that no tender was accepted?	Yes		Evidence sighted. Letters are issued from Contracts Lead as per delegation.	Manager Commercial Services
Reg 21	Does the local government's advertising and expression of interest processes for limiting who can tender comply with the requirements of the Local Government (Functions and General) Regulations 1996, Regulations 21 and 22?	NA	No EOIs were sought in 2025. Processes reflect the requirements.		Manager Commercial Services
Reg 22	Asked as part of question Reg 21	-			Manager Commercial Services

**City of Fremantle
Audit, Risk and Improvement Committee - Agenda
14 September 2026**

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**ARIC2609-1.2
Compliance Audit Return 2025 - with audit notes**

Reg 23	Did the local government reject any expressions of interest that were not submitted at the place, and within the time, specified in the notice or that failed to comply with any other requirement specified in the notice? Were all expressions of interest that were not rejected under the Local Government (Functions and General) Regulations 1996, Regulation 23(1) & (2) assessed by the local government? Did the CEO list each person as an acceptable tenderer?	NA	No EOIs were sought in 2025. Processes reflect the requirements.		Manager Commercial Services
Reg 24	Did the CEO give each person who submitted an expression of interest a notice in writing of the outcome in accordance with Local Government (Functions and General) Regulations 1996, Regulation 24?	NA	No EOIs were sought in 2025. Processes reflect the requirements.		Manager Commercial Services
Reg 24AD(2), (4) and (6)	Did the local government invite applicants for a panel of pre-qualified suppliers via Statewide public notice in accordance with Local Government (Functions & General) Regulations 1996 regulations 24AD(4) and 24AE? If the local government sought to vary the information supplied to the panel, was every reasonable step taken to give each person who sought detailed information about the proposed panel or each person who submitted an application notice of the variation?	Yes		Evidence sighted. One panel was awarded in 2025. FCC685/25 – WFAC Alcoholic and Non-Alcoholic Packaged Beverages https://www.fremantle.wa.gov.au/business-and-investment/tenders-and-quotations/public-contract-register/	Manager Commercial Services
Reg 24AE	Asked as part of question Reg 24AD(2), (4) and (6)	-		Evidence sighted. One panel was awarded in 2025. FCC685/25 – WFAC Alcoholic and Non-Alcoholic Packaged Beverages https://www.fremantle.wa.gov.au/business-and-investment/tenders-and-quotations/public-contract-register/	Manager Commercial Services
Reg 24AF	Asked as part of question Reg 24AD(2), (4) and (6)	-		Evidence sighted. One panel was awarded in 2025. FCC685/25 – WFAC Alcoholic and Non-Alcoholic Packaged Beverages https://www.fremantle.wa.gov.au/business-and-investment/tenders-and-quotations/public-contract-register/	Manager Commercial Services
Reg 24AG	Did the information recorded in the local government's tender register about panels of pre-qualified suppliers comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24AG?	Yes		Evidence sighted. One panel was awarded in 2025. FCC685/25 – WFAC Alcoholic and Non-Alcoholic Packaged Beverages https://www.fremantle.wa.gov.au/business-and-investment/tenders-and-quotations/public-contract-register/	Manager Commercial Services
Reg 24AH(1) and (3)	Did the local government reject any applications to join a panel of prequalified suppliers that were not submitted at the place, and within the time, specified in the invitation for applications? Were all applications that were not rejected assessed by the local government via a written evaluation of the extent to which each application satisfies the criteria for deciding which application to accept?	NA	No panel rejections were made in 2025.		Manager Commercial Services

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**ARIC2609-1.2
Compliance Audit Return 2025 - with audit notes**

Reg 24AI	Did the CEO send each applicant written notice advising them of the outcome of their application?	Yes		Evidence sighted.	Manager Commercial Services
Reg 24E	Where the local government gave regional price preference, did the local government comply with the requirements of Local Government (Functions and General) Regulations 1996, Regulation 24E and 24F?	NA	Does not apply to the City of Fremantle.		Manager Commercial Services
Reg 24F	Asked as part of question Reg 24	-			Manager Commercial Services



Risk Management Framework

fremantle.wa.gov.au

City of Fremantle Risk Management Framework



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City of Fremantle Risk Management Framework



Risk Management Framework

1. Introduction

The City of Fremantle is a local government area south of Perth, Western Australia (WA) covering an area of circa nineteen square kilometres. It has a vision and seven key focus areas:

Vision ¹	
Fremantle: 'a destination City'	A city that is clever and creative, inspiring and inclusive. A city that welcomes and celebrates all people and cultures. A city that encourages innovation, prosperity and achievement. A compassionate city that cares for the wellbeing of our people and the environment we share; and A City that thrives on diversity, that dares to be different – and delivers on its promises.

#	Key Focus Areas ²
1	Economic development
2	Environmental responsibility
3	Transport and connectivity
4	Character, culture and heritage
5	Places for people
6	Health and happiness
7	Capability

The City has developed a 'Corporate Business Plan' to address these key focus areas. However, there will always be a level of uncertainty associated with delivering the City's vision, key focus areas and the activities that support those areas. In this context, it is envisaged that a systematic and structured approach to risk management will enable the City to effectively deal with the uncertainty that could affect it.

¹ Corporate Business Plan
2019 - 23

² Strategic Community Plan
2015 - 25



City of Fremantle Risk Management Framework

This Risk Management Framework (RMF) will be integrated into the City processes. The RMF describes the policy, responsibilities, approach and processes for managing risk within the City. It includes a description of the resources and processes to ensure the RMF is monitored, reviewed and continually improved.

2. Mandate and Commitment

The City is committed to implementing practical and comprehensive risk management, ensuring effective risk management remains central to the City's activities. This RMF reflects contemporary good practice and sound corporate governance. It is consistent with AS ISO 31000:2018 (*the Risk Management Standard*) and has been developed in the context of the Local Government Act 1995 and associated regulations.

For clarity, this RMF applies to all City activities. It encompasses full-time, part-time, temporary and contracted employees; applies to City-wide risk and includes consideration of visitors, third parties and key stakeholders/interested parties.

2.1 Principles

For risk management to be effective, it needs to create and protect value. The City ensures risk management contributes to the demonstrable achievement of objectives and aids in improving performance, efficiency in operations and the promotion of good governance, trust and credibility. It is:

- **Integrated into organisational processes.** Risk management at the City is not considered a stand-alone activity that is separate from other activities and processes. It is evident within the papers prepared for Elected Members by Management, and papers prepared for Management by staff. As such, it is a demonstrable part of the City's planning and delivery processes.
- **Structured and comprehensive.** The City's Elected Members, Executive Leadership and Management expect the approach to risk management to deliver consistent, comparable and reliable results which can then be monitored and managed. This is evident with the use of standard templates and reporting mechanisms.

City of Fremantle Risk Management Framework



- **Customised.** The City's internal and external context, and the principles, framework and process have been tailored to meet the demands of the risk profile. This customisation ensures that the optimum amount of risk management work is undertaken to support risk-based decision making.
- **Inclusive.** Risks are discussed regularly, and either accepted as a necessary part of conducting business or actively managed to prevent or reduce the severity of disruptions or impacts to objectives. Appropriate and timely involvement of stakeholders ensures that risk management remains relevant and contemporary, allowing stakeholders to be properly represented and have their views considered.
- **Dynamic.** Risk management at the City has been established to continually sense and respond to change. As internal and external events occur, the context and knowledge change, monitoring and review of risks take place, new risks emerge, some change and others disappear. Risk management at the City has been structured to deal with this in a proactive, iterative and responsive manner.
- **Based on the best available information.** The City ensures inputs into the management of risks are based on information sources such as experience, stakeholder feedback, observation, horizon scanning and expert judgement. The City endeavours to ensure sources used for risk-based decision making are the most contemporary and comprehensive international, national, state and local government-focussed materials available.
- **Continually taking human and cultural factors into account.** The City recognises the capabilities, perceptions and intentions of external stakeholders and internal personnel can facilitate or hinder the achievement of objectives, and these are considered in the City's approach to risk management through the language, documentation and processes that are used. The aim is always to use understandable and accessible language.
- **Continually improved.** Risk management is used at the City to continually help make more informed choices, better prioritise actions and distinguish when alternative courses of action are available. Incidents and learned lessons inform the strategies which are then employed to continually improve the RMF and risk management maturity.

City of Fremantle Risk Management Framework



2.2 Risk Management Policy

The City's Risk Management Policy (*Appendix 1*) sets out the commitments, and the enabling actions required to meet those commitments. It seeks to ensure that the City transparently meets its performance and conformance requirements in an accurate and timely manner.

2.3 Roles and Responsibilities

The specific roles and responsibilities in relation to risk management are outlined below:

Elected Members

- Are responsible for the identification and management of strategic and governance-related risks associated with the City
- Establish the expected risk management performance and conformance levels of the City, including the risk appetite and tolerance levels (*in consultation with the CEO*)
- Ensure the risk assessments adequately inform the strategic vision, key focus areas and activities of the City.

Audit & Risk Management Committee

- Provides assurance and advice to Council as to whether the RMF, principles and processes are being appropriately conducted.
- Ensure the content of the RMF and risk registers are contemporary and robust.
- Facilitates the oversight of audit recommendations, control improvements and risk treatments
- Meet the risk-related responsibilities set out in their Terms of Reference.

City of Fremantle Risk Management Framework



Chief Executive Officer (CEO)

- Is accountable to the Elected Members for the overall operations of the City, including the management of risk
- Sets the risk appetite and tolerance levels for the City and is responsible for identifying the emerging/strategic risks associated with the strategic direction (*in consultation with the Elected Members*)
- Ensures a credible RMF and risk assessments exist which comprehensively address the governance, strategic, operational and project risks of the City
- Establishes and ensure regular reviews of the RMF, including the risk register, incidents and lessons learned
- Continually monitors, reviews and advises on material risks to the City including through provision of a risk-based Internal and External program of review and assurance
- Is the custodian of the RMF, principles and process.

Executive Leadership Team Members & Managers

- Work collaboratively with the CEO to develop individual, functional and City-wide competence, capability and capacity in risk management
- Integrate risk management into day-to-day management activities.

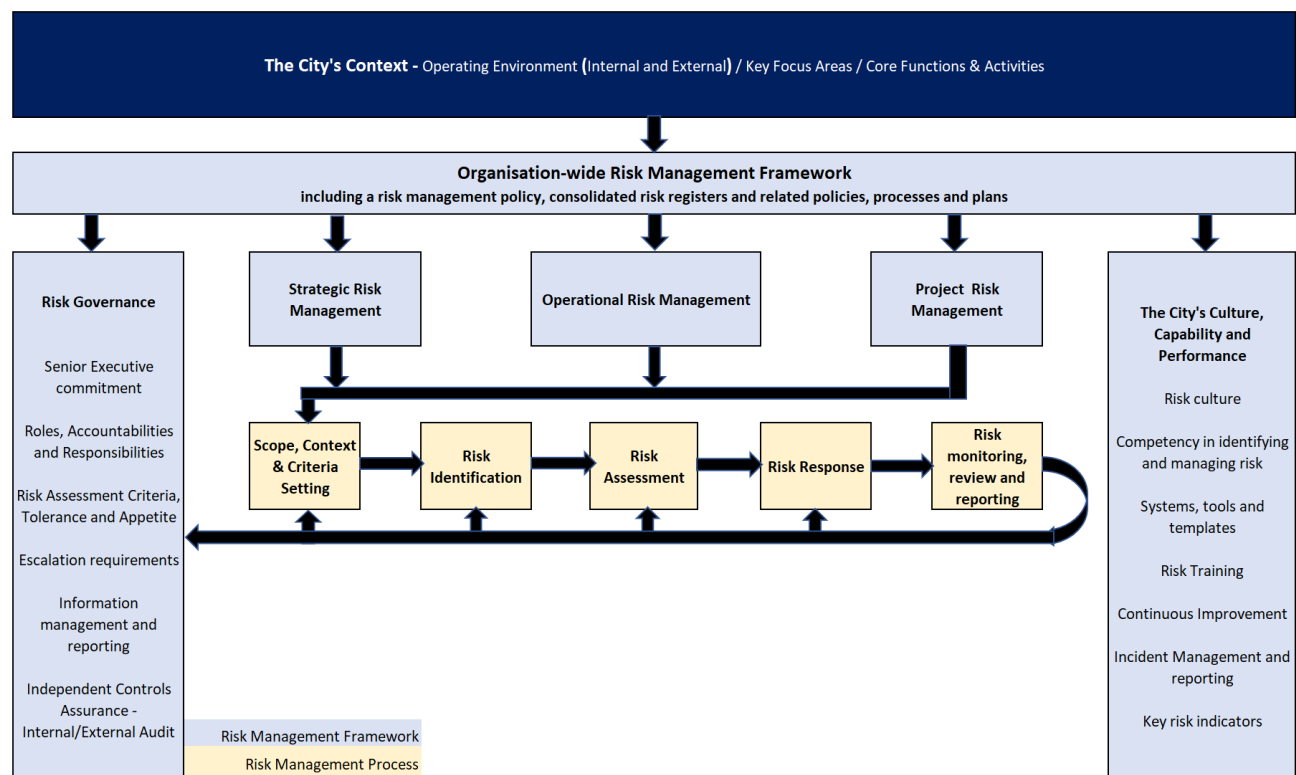
Officers/Staff

- Constructively contribute and fully participate in risk management as required.



City of Fremantle Risk Management Framework

3. Integrated Risk Management





City of Fremantle Risk Management Framework

3.1 Strategic and Governance Risks

These risks relate to the ability of the City to achieve its key focus areas and outcomes. The focus on identifying strategic and governance-related risk is to consider:

- emerging or present threats or opportunities associated with uncertainties within the external environment
- emerging or present strengths or weaknesses associated with uncertainties within the internal environment
- the expectations and management of stakeholders and key interested parties
- issues of funding and sustainable funding models.

Risk Identification	Managing the risk	Ongoing Monitoring
Governance and Strategic Risks		
Proactive: Risks are identified and assessed by the Elected Members and CEO as part of the strategic planning and review process. Risks are also identified and assessed as part of any papers/business cases presented to Elected Members and associated committees. Reactive: Risks may be identified at any time in response to an internal or external event or situation. The CEO will add the risk to the risk register, as appropriate. The CEO has carriage of the Risk Register and is responsible for ensuring all existing and emerging risk information is relevant and up-to date.	Risk ownership, responsibility for the assurance of controls and implementation of actions are owned by the CEO. Actions may be assigned to Executive Leaders, Managers, other Officers/Staff as required and appropriate. Responsibilities and timeframes for actions are agreed and documented in the risk register and integrated into planning and reporting documentation (e.g. <i>The City's Corporate Business Plan</i>).	As a minimum, all governance-related and strategic risks are monitored and reviewed on a quarterly basis by the Elected Members. Any residually SIGNIFICANT OR EXTREME level strategic risks are reported to the Elected Members.



City of Fremantle Risk Management Framework

3.2 Operational Risks

The key risks associated with the successful delivery of activities and services are identified at the CEO and Executive Leadership Team level. These are also articulated, assessed, monitored and reviewed in accordance with the defined risk management process and captured in the Risk Register.

Risk Identification	Managing the risk	Ongoing Monitoring
Operational Risks		
Proactive: Risks are identified and assessed as part of Planning/Review processes and the Executive Leadership Team and Management meetings. Risk is also identified as part of all options papers/business cases requiring material decisions. Reactive: Risks may be identified at any time in response to an internal or external event or situation. The CEO has responsibility for ensuring that the Operational risks on the Risk Register are kept up to date.	Risk ownership is allocated to the CEO, the Board / Audit & Risk Management Committee as required. Control ownership is allocated to the relevant Officer. Responsibilities and timeframes for actions are agreed and documented in the risk register.	All operational risks are reviewed and updated for quarterly monitoring at regular Executive Leadership and Management meetings. Risks are reported in line with the defined reporting mechanisms.

3.3 Project Risks

The management of project risks is carried out in accordance with any associated Project Management Framework (PMF) in use but, as with all risks, project related risk are identified, assessed, managed and reported in accordance with the process documented in this RMF and each project will be separately identified (and split out as necessary) in the risk register. The degree of risk management effort and level of risk information captured is commensurate with the size, complexity and inherent risk profile of the project.

City of Fremantle Risk Management Framework



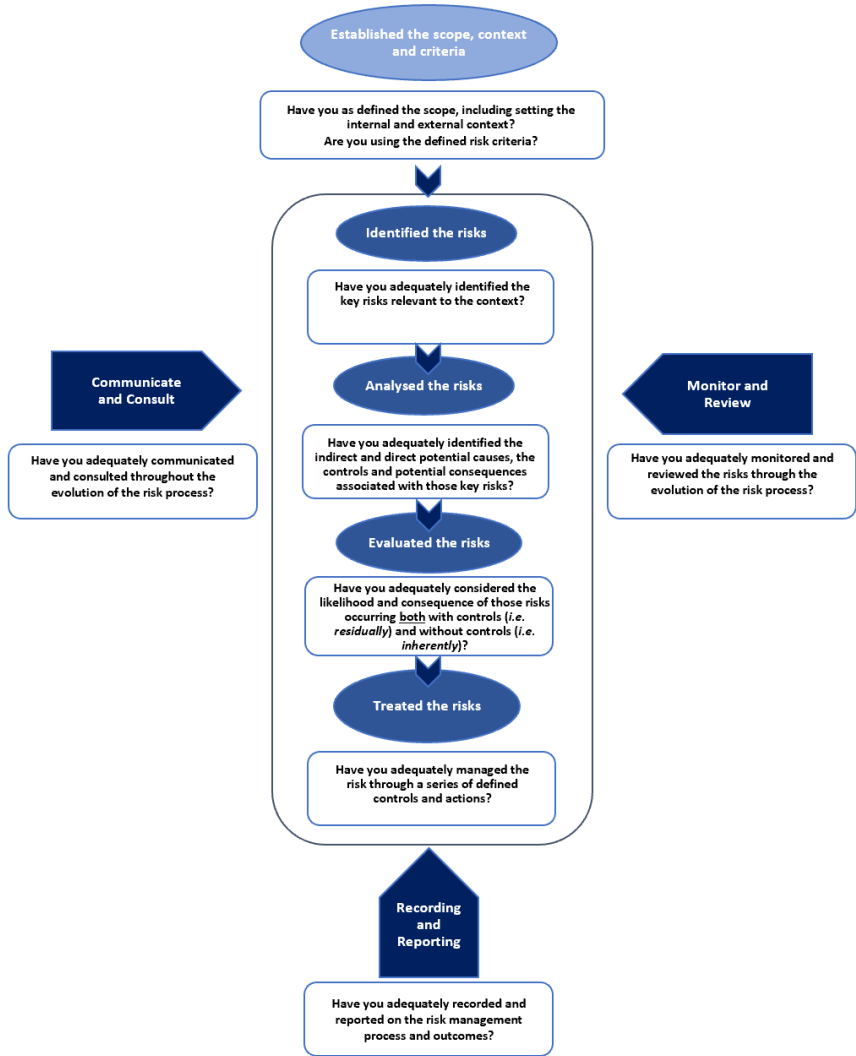
Risk Identification	Managing the risk	Ongoing Monitoring
Project Risks		
Proactive: Risks are identified and assessed as part of all Project Planning/Review processes and the City's Project Management meetings. Risks are also identified as part of all project-related options papers or business cases requiring material decisions. Reactive: Risks may be identified at any time in response to an internal or external event or situation. The CEO and/or nominated Risk Owner will ensure that the risk is added to the risk register, as appropriate.	Risk ownership is allocated to the CEO or a Project Director, Executive Leader, Manager or Officer by the CEO. Responsibility for controls and action are allocated to the relevant project team member. Responsibilities and timeframes for actions are agreed and documented in the risk register.	Project risks are monitored, reviewed and updated by the risk owners. Risks are reported to the CEO, Board or in accordance with the specific Project Governance Framework.



City of Fremantle Risk Management Framework

4. Risk Management Process

The risk management process is typically defined as “the systematic application of management policies, procedures and practices to the activities of communicating and consulting, establishing the context, identifying, analysing, evaluating, treating, monitoring and reviewing risk”. The process aligns with the AS ISO 31000: 2018 Standard (the Risk Management Standard), and is as follows:



The above is more fully explained in Appendix 4.



City of Fremantle Risk Management Framework

5. Capability & Support

5.1 Resources

The City acknowledges the need to allocate appropriate resources for risk management. This includes consideration and planning for the following:

- Recruitment of the CEO, Executive Leaders, Managers, Officers and staff
- Within role descriptions and performance management to include assessment of risk management skills, experience and competence relevant to their role
- Training of the Elected Members, CEO, Executive Leaders, Managers, Officers and staff in risk management relevant to their role; and
- Tools to be used for managing risk, including the use of electronic information and knowledge management systems.

5.2 Management of risk information

The City recognises risk information needs to be accessible, practical and compliant with relevant information management legislation and guidelines. A simple excel workbook is used to ensure:

- Consistent application of the risk management process and terminology
- Ease of reporting
- Greater visibility over risk and actions, and
- Improved accountability.

5.3 Support

The CEO ensures that there is the necessary support to identify, manage and report on key risks to the City, and sources external support on an '*as needs*' basis and as part of the established outsourced model.

5.4 Monitoring and communication of the RMF

The performance of the RMF is monitored by the Audit and Risk Management Committee and improvement recommendations made as required. The RMF, and any subsequent modifications, are communicated to the City's interested parties/stakeholders as required personnel. Appendix 5 includes an annual 'Schedule of Activities'.

City of Fremantle Risk Management Framework



Appendix 1: Risk Management Policy

The City of Fremantle is committed to ensuring that all planning and delivery is conducted in a manner that effectively mitigates and manages risk and allows opportunities to be realised. To ensure this approach is adopted and embedded within the City, the principles, framework and process outlined in AS ISO 31000: 2018 (*i.e. the Risk Management Standard*) are applied, and alignment is sought with Local Government-based risk management requirements.

The main objectives for the City are as follows:

- To give greater visibility and transparency of risks to relevant interested parties
- To ensure that all the risks identified are within the stated appetite and tolerance of the Elected Members and Executive
- To ensure the ongoing, unimpeded capacity of the City to fulfil its vision, mission, strategic objectives and activities
- To protect the community that the City serves, our staff and other key stakeholders and interested parties, from adverse incidents, to reduce exposure to loss and to mitigate and manage losses should they occur
- To ensure that all individuals, interested parties and stakeholders are made aware of the need to identify and manage risk and to promote a culture of participation in that process, and
- To ensure compliance with statutory requirements and alignment with relevant standards.

The enabling actions to allow these objectives to be realised include:

- Committing to common risk principles that are reviewed and renewed periodically
- Identifying, assessing and managing risks with reference to the City's risk appetite and tolerance
- Embedding simple, flexible, meaningful and prudent risk management practices within existing procedures, practices, delegations of responsibility and accountability
- Ensuring risk management practices and processes are implemented in a way that facilitates continuous improvement in decision making, and evidence performance improvement outcomes
- Recognising risk management as an integral part of good corporate governance and management practice through a commitment to deliver risk-related education, training and continuing professional development, and
- Evidencing that the management of risk is embedded in the City's planning, reporting, decision making and management practices to the extent that risk management becomes an obvious and inextricable component of operations.

City of Fremantle Risk Management Framework



This Policy applies to the whole of the City including the Elected Members, Executive Leaders, Management, Officers, Contractors and interested parties/stakeholders who are expected to act in accordance with the objectives of the Policy.

The CEO, supported by the Audit & Risk Management Committee, has the overall responsibility for the implementation of this Policy.

City of Fremantle Risk Management Framework



Appendix 2: Common Risk Definitions & Terms

ALARP - 'As Low As Reasonably Practicable' - The concept of weighing up a risk against the trouble, time and money needed to control it.

Business Continuity Management (BCM) and Business Continuity Plan (BCP) - BCM is a process that allows the City to recover from an event that significantly disrupts activities. A BCP is the principal output of the BCM process. A BCP is, in effect, a control for certain risks the consequences of which could disrupt core functions.

Causes - The multiple factors, either direct or indirect, that may give rise to a risk / risk event.

Consequences - The multiple impacts or outcomes of a risk / risk event occurring.

Consequence Categories - These are key impact areas, which if affected because of a particular risk event, could have a significant impact on the ability of the City to deliver outcomes.

Consequence Rating - The level of impact from the risk occurring in any given consequence category, ranging from 1-5.

Control - A procedure, system, activity or process that reduces the likelihood and/or consequences of a risk. A risk may have more than one control, and a control may address more than one risk.

Controls Rating - A qualitative, common-sense measure of the adequacy of controls in addressing a risk. There are three ratings given for the City controls (*i.e.* 'Fully Effective', 'Adequate' and 'Inadequate or Unknown').

Controls Assurance - The process whereby control ratings are verified through a series of questions regarding their relevance and effectiveness.

Critical Success Factor (CSF) - A factor which is essential for the successful performance of a key activity.

Impact Range - A measurement of how widespread the consequences of a risk may be. This measurement can assist in the assessment of controls and the formulation of treatments.

Implementation or Action Plan - A plan created to establish how the Risk Management Process is to be implemented.

Key Activity - Any high-level activity or function that is instrumental to the City delivering required outcomes or performing its mission.

Key Dependency - Relationship with or reliance upon another party essential to delivering outcomes or services. Key dependencies can be within the City or external.

Likelihood - A measure of how likely it is that a certain consequence will eventuate, ranging from very unlikely to almost certain.



City of Fremantle Risk Management Framework

Likelihood rating - The likelihood of the risk occurring with the level of consequence identified, ranging from 1-5.

Level of Risk (LOR) - Determined by multiplying the consequence rating with the likelihood rating for risks.

Monitor - An ongoing process of surveillance of the internal and external environments to ensure that risks continue to be effectively and appropriately managed.

Operational (Context) - Deals with Operational Risks: those risks associated with normal, ongoing operations and activities.

Opportunity - An occasion or situation in which it is made possible to do something that you want or must do.

Predicted Control Rating - An assessment of how the controls would rate following the implementation of the proposed TAP.

Predicted LOR - The predicted level of risk following the implementation of the proposed TAP. Proposed by multiplying the predicted consequence and predicted likelihood ratings. See comments under 'Level of Risk (LOR)'.

Project (Context) - Deals with Project Risks: those risks associated with defined projects and other discreet undertakings.

Residual Risk - The risk that remains after controls are considered (*i.e. risk level after controls*).

Review - Periodic assessment of a specific aspect of the Risk Management Process or a particular group of risks to determine if there have been gradual changes over time.

Risk (or Risk Event) - (from AS ISO 31000:2018) 'the effect of uncertainty on objectives'.

Risk Acceptance Criteria - Specific standards that delineate under what conditions risks of a certain level can be accepted. The higher the risk rating, the higher the standard of controls, monitoring, and ownership required.

Risk Assessment - A step in the risk management process which involves assigning values (Risk Ratings) to individual risks and deciding how to manage them.

Risk Analysis - A process that assigns a Risk Rating to each risk by evaluating the effectiveness of existing controls and assigning values for Likelihood and Consequences for various scenarios.

Risk Register - A means of recording, monitoring and reporting on risks, controls and risk treatment plans.

Risk Evaluation - A decision-making process which evaluates the Risk Rating against the Risk Assessment Criteria.

Risk Categories - The categorisation of risks within the City by type, are often based on source of risk.



City of Fremantle Risk Management Framework

Risk Decision - The decision made after risk evaluation, balancing risk and reward.

Risk Identification - 'Critical Success Factors' and key dependencies are used to identify risks.

Risk Management - The practice of systematically identifying, understanding, and managing the risks encountered by the City.

Risk Owner - The person specifically assigned to manage the risk, including monitoring the risk, its controls and any treatments that are implemented.

Risk Ranking - A ranking of the level of risk compared to the City's 'Risk Acceptance Criteria Table'. Ranks are labelled as 'low', 'moderate', 'significant' or 'High'. This allows the risk owner to determine required action to be undertaken to enable acceptance of the given risk.

Risk Rating (or Level of Risk) - The value assigned to the risk which represents the product of 'consequences' and 'likelihood'.

Risk Reference Tables - The collective term used for the various risk measurement and evaluation tools.

Risk Tolerance - The degree of risk that the City is willing to accept to achieve objectives.

Strategic (Context) - Deals with Strategic Risks: risks which concern the City as a whole and are associated with long term objectives. It is conducted as an integral part of the strategic planning process.

Treatment and Treatment Action Plan (TAP) - A treatment is measure that is designed and implemented to further reduce the consequences and/or likelihood of a risk. Once a treatment is fully implemented and effective (*i.e.* 'in place'), it will become a Control. A TAP is the plan formulated for the selected treatments to ensure they are fully and properly implemented. TAPs should identify owners, participants, resources, schedule, and Performance Indicators.



City of Fremantle Risk Management Framework

Appendix 3: Risk Assessment Criteria & Risk Appetite Statement
MEASURES OF (POSITIVE OR NEGATIVE) CONSEQUENCE OR IMPACT

LEVEL	RANK	PEOPLE (P)	FINANCIAL ³ (F)	STAKEHOLDERS & REPUTATION (S&R)	PERFORMANCE (P)	LEGAL & COMPLIANCE (L&C)	COMMUNITY/ SOCIAL (C/S)	ENVIRONMENTAL/ HERITAGE (E/H)	COMMERCIAL/ ECONOMIC ⁴ (C/E)
1	Insignificant Downside	(Physical / mental) injury requiring first aid but no expected adverse physical / psychological / mental impacts.	<\$10,000	Isolated individual's issue-based complaint and no media coverage.	Inability to operate / provide services for < day and/or service delivery impacts managed through normal business practices.	Breach of process/procedures with no noticeable adverse operational, regulatory or statutory impacts.	Low localised event with no broader social / community impacts.	Low localised event with no broader environmental or heritage impacts.	Decline of economic activity and/or loss of value < 1% dispersed across the City.
2	Minor Downside	(Physical / mental) injury requiring medical treatment, or 'Restricted Work Injury' <10 days.	\$10,000-\$250,000	Local stakeholder impacts or issue-based concerns.	Inability to operate / provide services for 1 – 3 days and/or impact requires additional effort or response or redirection of resources to respond.	Some temporary non-compliances, audit or regulator findings.	Event impacts on ability to meet local social / community expectations.	delay impacting on ability to meet environmental and/or heritage expectations.	Decline of economic activity and/or loss of value 1 – 10% dispersed across City.
3	Moderate Downside	(Physical / mental) Lost Time Injury (LTI) > 1 day requiring medical treatment, or Restricted Work Injury > 10 days.	\$250,000-\$1m	Stakeholder impacts and concerns publicly expressed with reduced organisational confidence in the City.	Inability to operate / provide services for 3 – 7 days and/or impact requires short term significant additional resources to respond.	Short term non-compliance but with significant requirements imposed and / or significant internal audit findings.	Community backlash / rejection by multiple community groups.	Short term but recoverable environmental degradation. Significant but rectifiable damage to valued heritage asset.	Decline of economic activity and/or loss of value 10 – 25% dispersed across City.
4	Major Downside	Permanent injury, disability and/or health impact (including serious psychological / mental injury requiring long term professional medical treatment, counselling or intervention).	\$1m - \$4m	Considerable and prolonged key stakeholder impact and dissatisfaction publicly expressed / Criticism and loss of confidence and trust by multiple stakeholders with the City integrity in question. Significant, sustained adverse social and print media attention.	Inability to operate / provide critical services for 7 – 14 days and/or impact requires long term significant additional resources to respond.	Non-compliance results in prohibition of services or imposed penalties / suspension of local government / significant external audit or regulator investigations and / or intervention and litigation.	Negative societal impacts to the detriment of most community groups within the City.	Severe damage, loss or impairment (> 1 year to remediate or recover) of a significant ecosystem / threatened species (flora and/or fauna). Large scale damage or partial loss requiring long term remediation of a valued heritage asset.	Decline of economic activity and/or loss of value 25 – 50% dispersed across City. AND/OR Reduction and loss of key commercial sectors in the City.
5	Critical Downside	Death(s) or permanent injuries, disabilities and/or health impacts (including permanent or long-term psychological/mental damage requiring extensive remedial intervention).	>\$4m	Significant adverse key stakeholder impacts and condemnation / Consistent ongoing loss of confidence and trust in the City's capabilities and intentions. Widespread, negative, sustained social and media with potential dismissal of Council, Elected Members and/or key Executives.	Inability to operate / provide critical services > 14 days and/or the impact cannot be managed within the City's existing or accessible, additional resources.	Non-compliance results in criminal charges / removal of Executive / Elected Members / class action litigation / long-term remediation and/or disqualification from providing services.	Irreversible negative societal impacts to the detriment of all community groups within the City.	Permanent loss of significant ecosystem or threatened / vulnerable species (flora and/or fauna). Permanent, total and irreplaceable loss of national and internationally valued state heritage.	Decline of economic activity and/or loss of value > 50% AND/OR Permanent and complete loss and cessation of key commercial sectors in the City.

³ Loss of revenue / unbudgeted incurred cost

⁴ Based on notional relationship of 1% of rates = \$400,000.

**City of Fremantle
Audit, Risk and Improvement Committee - Agenda
14 September 2026**

**ARIC2609-2.1
Current City of Fremantle Risk
Management Framework**



City of Fremantle Risk Management Framework

LEVEL	RANK	PEOPLE (P)	FINANCIAL GAIN / SAVING (F)	STAKEHOLDERS & REPUTATION (S&R)	PERFORMANCE (P)	LEGAL & COMPLIANCE (L&C)	COMMUNITY / SOCIAL (C/S)	ENVIRONMENTAL/ HERITAGE (E/H)	COMMERCIAL/ ECONOMIC (C/E)
1	Insignificant Upside	(Physical / mental) benefits to isolated individuals.	<\$10,000	Isolated individual's positive feedback with no media coverage.	Normal business practices improved in the short term.	Isolated but noticeable improvements in (regulatory, statutory or contractual) process/procedural impacts.	Low localised improvements with broader social / community impacts.	Low localised improvements with broader positive environmental or heritage impacts.	Incline of economic activity and/or increase of value < 1% dispersed across the City.
2	Minor Upside	Minor (physical / mental) benefits to isolated functions within the City.	\$10,000- \$250,000	Local community positive feedback with positive local media coverage.	Improvements in the effectiveness and efficiency of multiple business practices in the short term.	Noticeable improvements in legal (regulatory, statutory or contractual) compliances.	Observable and short-term meetings of local social / community expectations.	Observable and short- term ability to meet environmental and/or heritage expectations.	Incline of economic activity and/or increase of value 1 – 10% dispersed across City.
3	Moderate Upside	Moderate (physical / mental) benefits to multiple functions within the City.	\$250,000- \$1m	Positive community impacts publicly expressed. Stakeholders publicly express increased organisational confidence in the City.	Short- or medium-term improvements in the effective and efficient delivery of critical services or programs. Successful delivery of one or more critical outcomes with limited need to allocate greater resources.	Multiple, noticeable improvements in legal (regulatory, statutory, contractual) impacts recognised publicly and professionally.	Observable, measurable and direct short to medium social / community improvements with support by multiple community groups.	Observable, measurable and direct short to medium term environmental and/or heritage expectations delivered in a timely manner.	Incline of economic activity and/or increase of value 10 – 25% dispersed across City.
4	Major Upside	Widespread (physical / mental) benefits to the majority of functions within the City.	\$1m - \$4m	Considerable and prolonged positive key stakeholder impact and satisfaction publicly expressed / increased confidence and trust by multiple stakeholders with the City's integrity demonstrably strengthened. Significant, sustained positive social and print media attention.	Long term viability improved. Majority of critical outcomes achieved, or a single critical outcome achieved. Positive benefits do not require long term significant City resources to respond. Demonstrable evidence of better practice status.	'Beyond Compliance' approach and outcomes considered as the City meeting State-based 'Best in Sector'.	Tangible, measurable direct and indirect medium to long term social / community improvements with support by the majority of the City's community.	Tangible, measurable, direct and indirect medium to long term positive environmental / heritage impacts and benefits.	Incline of economic activity and/or increase of value 25 – 50% dispersed across City. AND/OR Increase and addition of key commercial/industrial sectors in the City.
5	Compelling Upside	Compelling and widespread (physical / mental) benefits to the entire City.	>\$4m	Compelling, positive key stakeholder impacts and support / Consistent increasing confidence and trust in the City's capabilities and intentions. Widespread, positive, sustained social and media with improved credibility of Council/Elected Members and key Executives.	Long term viability certain. All services, programs and activities delivered effectively and efficiently. All required outcomes achieved. Compelling evidence of 'Best Practice' status.	Beyond Compliance' approach and outcomes considered as the City meeting national best practice.	Positive tangible and sustainable long-term City- wide impacts with positive benefits for social amenity to the vast majority of the City's community.	Positive tangible and sustainable long-term City-wide impacts with positive environmental / heritage benefits.	Incline of economic activity and/or increase of value > 50%. AND/OR Permanent development and maintenance of key commercial/industrial sectors in the City.

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City of Fremantle Risk Management Framework

MEASURES OF LIKELIHOOD

LEVEL	DESCRIPTOR	DESCRIPTION	PROBABILITY
1	Rare	The event may occur only in exceptional circumstances.	<5%
2	Unlikely	The event could occur at some time.	5-25%
3	Possible	The event should occur at some time.	25-75%
4	Likely	The event will probably occur in most circumstances.	75-95%
5	Almost certain	The event is expected to occur in most circumstances.	>95%

EXISTING CONTROL ENVIRONMENT (FOR RISK OR OPPORTUNITY)

LEVEL	DESCRIPTOR	DESCRIPTION
E	Excellent	Controls are excellent, appropriate and fully effective. They operate to defined Australian Standards and the overall control environment provides assurance that the risk or opportunity is being managed. Control objectives are being fully met and no improvements to controls have been identified.
A	Adequate	The overall control environment is adequate, appropriate and effective. It provides reasonable assurance that the risk or opportunity is being managed. Certain controls may require improvement to ensure that the overall environment will continue to operate effectively.
I	Inadequate	Numerous specific controls weaknesses or gaps were noted. Overall control environment is not adequate or effective and fails to provide reasonable assurance that risks, and opportunities are being managed and control objectives are being met. The control environment needs improvement.

RISK MATRIX

Significant Positive Impact (5)	Moderate (5)	Moderate (10)	Significant (15)	Compelling (20)	Compelling (25)
Major Positive Impact (4)	Moderate (4)	Moderate (8)	Significant (12)	Compelling (16)	Compelling (20)
Moderate Positive Impact (3)	Low (3)	Moderate (6)	Moderate (9)	Significant (12)	Significant (15)
Minor Positive Impact (2)	Low (2)	Moderate (4)	Moderate (6)	Moderate (8)	Moderate (10)
Insignificant Positive Impact (1)	Low (1)	Low (2)	Low (3)	Moderate (4)	Moderate (5)
	Rare (1)	Unlikely (2)	Possible (3)	Likely (4)	Almost Certain (5)
Insignificant Negative Impact (1)	Low (1)	Low (2)	Low (3)	Moderate (4)	Moderate (5)
Minor Negative Impact (2)	Low (2)	Moderate (4)	Moderate (6)	Moderate (8)	Moderate (10)
Moderate Negative Impact (3)	Low (3)	Moderate (6)	Moderate (9)	Significant (12)	Significant (15)
Major Negative Impact (4)	Moderate (4)	Moderate (8)	Significant (12)	Extreme (16)	Extreme (20)
Critical Negative Impact (5)	Moderate (5)	Moderate (10)	Significant (15)	Extreme (20)	Extreme (25)

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City of Fremantle Risk Management Framework

CRITERIA FOR MANAGING RISK



LEVEL OF DOWNSIDE / UPSIDE	CRITERIA FOR MANAGEMENT	REPORTING TO	WHO IS RESPONSIBLE
Compelling Upside	Vigorous pursue with excellent control environment (Subject to alignment with appetite)	Ongoing reporting to CEO & Relevant Committee	Executive Leadership Team
Significant Upside	Actively pursue with adequate control environment (Subject to alignment with appetite)	Monthly reporting to Executive Leadership Team Quarterly reporting to Relevant Committee	Executive Leadership Team
Moderate Upside	Static embrace of opportunity with adequate controls (Subject to alignment with appetite)	Quarterly reporting to Relevant Committee	Owner
Low Downside / Low Upside	Acceptable with adequate controls (subject to alignment with appetite)	Annual reporting to Relevant Committee	Owner
Moderate Downside	Acceptable with adequate controls (subject to alignment with appetite)	Quarterly reporting to Relevant Committee	Owner
Significant Downside	Requires excellent controls Refer to Senior Executive for acceptance decision	Monthly reporting to Executive Leadership Team Quarterly reporting to Relevant Committee.	Executive Leadership Team
Extreme Downside	Refer to Senior Executive for acceptance decision	Immediate and ongoing reporting to CEO & Relevant Committee	Executive Leadership Team



City of Fremantle Risk Management Framework

Risk Appetite Statement (RAS 2b)

The City of Fremantle (the City) has a '**vision**' which is articulated in its Strategic Community Plan (SCP)⁵. The plan envisages Fremantle as "a *destination city*":

- *A city that is clever and creative, inspiring and inclusive*
- *A city that welcomes and celebrates all people and cultures*
- *A city that encourages innovation, prosperity and achievement*
- *A compassionate city that cares for the wellbeing of our people and the environment we share*
- *A city that thrives on diversity, that dares to be different."*

To effectively work toward this vision, the City commits to the proper identification, analysis, assessment and treatment of risk through a robust risk management framework (RMF). This ensures all risks are effectively managed and controlled. To determine our risk appetite the following criteria has been applied:

ALARP	Risk is reduced to 'As Low As Reasonably Practicable'. There is no appetite for any breaches of controls or standards.
Low	Some appetite for low risks in this area however no appetite for substantive risks at any time.
Moderate	Moderate levels of risk are subject to there being a full understanding of the potential benefits and risks, the required authorisation is obtained, and the controls are adequate, in place and effective.
High	Higher levels of risk subject to there being a full understanding of the potential benefits and risks, the required authorisation is obtained, and the controls are excellent, fully in place and effective.

People

The City understands that across the activities and services delivered there are health and safety exposures present which need to be managed. For staff, these include mental health and physical hazards in the offices, depots, field and whilst home working. The City seeks to reduce the likelihood of negative people (i.e., health and safety) consequences to '**ALARP**'.

The safety and health of employees, contractors, consultants, partners, clients and third parties are paramount. The City has no tolerance for consent, connivance or neglect that jeopardises the health, safety or welfare of any stakeholders/interested parties.

⁵
<https://www.fremantle.wa.gov.au/strategic-community-plan-0>



City of Fremantle Risk Management Framework

The City has an expectation of a '*precautionary*' approach being demonstrated supported by effective and auditable management systems to evidence management of health, safety and welfare-related risks. This approach is considered to apply both organisationally and in the wider realm of public safety.

Finance

The City recognises the ongoing balance to be struck between the levels of rates and the service provision offered to the ratepayers of Fremantle. The City will actively seek new revenue sources and will strive to be more efficient through innovation. Innovation, for example in the events that are delivered, places that are activated and infrastructure or amenities provided requires a level of failure and accompanying financial loss to be acknowledged and a level of downside risk to be acceptable. From a financial loss perspective, there is a '**low**' appetite.

Stakeholders & Reputation

The City recognises that the notion of being viewed by stakeholders as credible and relevant player relies on an ability to act collaboratively and take opportunities. However, effective collaboration with stakeholders also relies on the City managing expectations and pushing back against demands for '*unfunded*' service delivery where the City has the discretion to do so. From a stakeholder and reputation perspective, there is a '**moderate**' appetite.

Performance

The City is cognisant of the need to balance strategy against its capacity for execution. Principally, this is in striking the appropriate balance between new projects and existing operating activities and between the City's customer facing and back of house operations and resource allocation.

The City has an appetite to embrace any economies of scale or shared services which would benefit community representation and the service provision to that Fremantle community.

The City will only employ and work with competent and capable personnel and suppliers to apply better practice management methodologies and to deliver all the required outcomes expected. It is recognised that organisational characteristics and increasing expectations of '*innovation*' in the provision of services and activities requires the continued development by the City of relationships and partnerships with new entities and the development of new ways of working. From an organisational performance perspective, the City accepts a '**moderate**' appetite is required.

City of Fremantle Risk Management Framework



Legal & Compliance

From the perspective of compliance, the City will not tolerate fraud, corruption or acts or decisions that put the financial stability or reputation of the City at risk. As such, the City will not tolerate exceedance to expense limits, budgets or agreed expenditure and expects to have, as a minimum, adequate controls in place to manage all governance, risk and compliance-related challenges. the City will not tolerate misconduct, wilful breaches of confidentiality, unauthorised disclosure of sensitive and confidential data or a lack of transparency in our reporting to stakeholders. Any unforeseen errors or inaccuracies that might impact our stakeholders, compliance or reputation will be reduced to '**ALARP**'.

It is the expectation of the City that the individuals who work for it consistently and continually operate in an ethical, accountable and responsible manner over the long term. the City recognises that exhibiting its core values of excellence, trust, engagement and valuing people need to be married up with robust governance to ensure the City is conforming and performing to expectations. These are non-negotiables. In that context, the City has determined it has a '**low**' appetite for legal and compliance-related damage.

Community / Social

The City recognises the balance to be struck between meeting the community needs of the metropolitan and regional communities, and the pressure for infill growth with the retention of key historical sites. Whilst the City has an appetite for infill growth, the timing of the projects and the density of those projects could threaten Fremantle's unique identity and creativity. That unique identity of Fremantle means gentrification cannot come at the expense of diversity and inclusion. From a community / social perspective, the City accepts a '**moderate**' appetite is required.

Environmental / Heritage

The appetite of the City is to strike the optimum in balancing development with retention of Fremantle environment and heritage. The City has a '**low**' appetite for compromising the flora, fauna or heritage artifacts of the area which would impact environment / heritage.

Commercial / Economic

The City acknowledges the need to manage the number of visitors to Fremantle (e.g., doubling residents on any given day) whilst recognising their commercial and economic importance. There is an appetite for a larger population within the City for future sustainability, and to embrace the maintenance of a 'Port City' that leverages flag ship government projects (e.g., Westport). The City accepts a '**moderate**' appetite is required.

City of Fremantle Risk Management Framework



Appendix 4: Risk Management Process

Communication and consultation

Communication and consultation with external and internal stakeholders/interested parties is an essential and valuable part of the risk management process at the City. A collaborative approach is preferred as it provides the opportunity for different perspectives and expertise.

Establishing the context (including scope and criteria)

Prior to commencing risk management, the context for the activity is clearly specified. This includes defining:

- the purpose of the risk exercise and the expected outcomes;
- the scope, boundaries, assumptions and interrelationships;
- the environment, objective, strategy, activity, process, function, project, product, service or asset under consideration; and
- the risk assessment methodologies or approach.

Once this is determined, the essential personnel who need to be involved in the assessment are identified.

Risk identification

The context defined in the previous step is used as the starting point for identifying risks. A practical and effective approach to risk identification is to consider what is critical to the successful achievement of the objectives related to that particular context, and what are the potential opportunities or 'roadblocks' arising from areas of uncertainty (*e.g. assumptions, limitations, external factors, etc*). Included in this consideration are any internal or external events or situations which may give rise to a risk, and any risks identified through internal or third-party audits, assessments and reviews. Typically, risks are worded either with the use of '*critical success factors*' (CSFs) or through '*cause-event-consequence*' (CEC) statements:

- 1) CSFs. When considering an activity, consider what is critical that you get right about the activity (*e.g. with Elected Member reporting, it may be timeliness and accuracy*), and word the risk based on this critical activity (*e.g. failure to ensure timely and accurate Elected Member reporting*);
- 2) CECs. Consider the event that you are most concerned about (*e.g. timely reporting*), the principal potential cause (*e.g. Inadequate reporting systems*) and the principal potential consequence (*e.g. sub-optimal decision making*). These can then be constructed into a statement (*e.g. Inadequate systems cause untimely reporting leading to suboptimal decision making*).

City of Fremantle Risk Management Framework



Risk analysis and evaluation (assessment)

For each risk, possible causes of the risk eventuating are identified. Each risk may have one or more causal factors which can either directly or indirectly contribute to it occurring. Identifying the range of causes assists in understanding the risk, identifying the most appropriate controls, evaluating the adequacy of existing controls and designing effective risk treatments. This step also considers the potential consequences of the risk, including knock-on or cascading effects. Comparing the level of risk with the contents of the risk assessment criteria determines the acceptability of the risk. Risk analysis is undertaken with varying degrees of detail, depending on the risk, the purpose of the analysis, and the information, data and resources available. Analysis is qualitative, semi-quantitative or quantitative, or a combination of these, depending on the circumstances. Such techniques are comprehensively considered in 'ISO 31010: Risk Assessment Techniques', a companion to the Risk Management Standard. Risk analysis and evaluation involves identifying and evaluating any existing controls and analysing the risk in terms of consequences and likelihood, considering the effectiveness of the controls (i.e. 'Residual Risk').

Controls

Controls are the measures that are currently in place (*i.e. at the time of the risk assessment*), that materially reduce the consequences and/or likelihood of the risk. Controls are tangible, auditable and documented. A 'Hierarchy of Control' is applied which ensures the most effective controls are considered first (*e.g. eliminate entirely, substitute it, isolate it and engineer it out prior to relying on administrative controls*).

Level of Risk

The Level of Risk (LoR), or Risk Rating, is calculated by multiplying the consequence and likelihood ratings. For any risk, there may be several different consequence/likelihood scenarios. Within each category there may be multiple scenarios ranging from 'minor but likely' to 'catastrophic but rare'.

The City rate what is the realistic worst-case scenario. In some instances, it may be appropriate to rate the same consequence category more than once. Where there are multiple ratings for a risk, the highest combination of consequence/likelihood is taken as the LoR. The LoR is then compared to the defined risk criteria to assist the risk owner in determining whether a risk requires further treatment.

The City captures three different 'Levels of Risk' – Inherent risk (*i.e. before controls are applied*), Residual risk (*i.e. after controls are applied*) and 'Post-treatment' (*i.e. a prospective level of risk considering further treatments*).



City of Fremantle Risk Management Framework

Consequence

A risk that eventuates may impact the City to a greater or lesser extent across multiple areas. Consequences of the risk can be assessed across the relevant consequence categories, which are defined in the risk assessment criteria tables (see Appendix 3).

Likelihood

This describes how likely it is that a risk will eventuate with the defined consequences. Likelihood can be assessed in terms of probability or frequency, depending on what is most appropriate for the risk under consideration. When you are rating the likelihood of a risk, ask *"How likely is it for this risk to occur, given the existing controls, to the level of consequence identified?"* (See Appendix 3)

Risk Acceptance/Treatment Decision

Once a risk has been analysed and evaluated, the risk owner makes an informed decision to do one of the following:

- Accept the risk – the opportunity outweighs the risk; the existing controls meet the criteria specified in the Risk Assessment Criteria and the risk is within the defined tolerance and appetite of the City;
- Avoid the risk – do not carry on with the activity that is associated with the risk;
- Treat the risk – reduce the consequence, likelihood or both and/or improve the controls rating by strengthening existing controls or developing new controls so that the risk can be accepted. Note: Any risks associated with health and safety are managed to a level which is "as low as reasonably practicable" (ALARP).
- Transfer the risk – reducing the financial impacts of insurable risk to the organisation through contracts (*e.g. of insurance*).

Risk-based decisions are made in line with the criteria outlined in the risk assessment criteria tables (Appendix 3).

Monitoring and review

Risk monitoring, review, reporting and recording are integral parts of the planning, management and oversight activities of the City. These are specified in 'Integrating Risk Management', Section 3 of this RMF.

**City of Fremantle
Audit, Risk and Improvement Committee - Agenda
14 September 2026**

**ARIC2609-2.1
Current City of Fremantle Risk
Management Framework**



City of Fremantle Risk Management Framework

Appendix 5: Schedule of Activities

The following are the City risk-management related activities over the year:

Month	Internal Activities	Notes	External Activities
January	Compliance Audit Return (CAR), including risk management attestation		
February			
March	Risk-based projects agreed as part of the Corporate Business Plan / Service Unit Plans Consideration of workforce allocation for risk management as part of Workforce Review. Consideration of budget for risk management-related items as part of budgeting process.		Community consultation for Strategic Development Plan, including consideration of public/community risk
April			
May	Risk responsibilities reviewed as part of the Delegations Review		
June	Review of CAR actions, including risk-based actions		
July			
August			
September			
October			
November	Establishment of Audit & Risk Management Committee	Following Elections	
December			Public provision of Annual Report, including risk management status.



Council Policy

Enterprise Risk Management

fremantle.wa.gov.au

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Enterprise Risk Management (ERM)

Policy Scope

This Policy was developed in the context of the *Local Government Act 1995* and applies to the activities, actions and decisions of the workforce, Elected Members, contractors, suppliers, and interested parties across all locations and places of business. This Policy recognises risk may have both positive and negative effects on objectives and supports risk management which adequately manages threats while enabling opportunities to be pursued.

All subsequent risk management frameworks, strategies, and applications must be consistent with this policy.

This Policy provides the context for the appropriate management of risk to ensure risk management contributes to the achievement of Council's vision and delivery of positive community outcomes.

Policy Statement

Council will always face uncertainty pursuing positive community outcomes. These activities are often complex and require extensive planning and resourcing to achieve and can expose Council to risk which must be managed at the enterprise level.

Council acknowledges a failure to manage risk could result in significant consequences for the organisation and the community and understands effective risk management is critical for protecting its workforce, public infrastructure, surrounding natural and cultural environments, as well as contributing to the integrity of the wider public sector.

Enterprise risk management (ERM) is a governance function which integrates risk management into the decisions and actions of the organisation. This integration improves risk competency, drives desired behaviour, and supports long-term sustainability objectives by ensuring risk is being managed where sustainability is essential.

While traditional risk management assesses risk in isolation, ERM addresses risk through an organisational lens, gaining an understanding of uncertainty within the context of organisational strategies and risk appetite. Aligning risk management to organisational performance drives informed risk-taking and enables Council to focus on the risks which matter.

Council recognises its ability to manage and govern risk effectively is contingent on the quality of the advice, information, and assurance received from the organisation. Therefore, Council does not practice enterprise risk management to eliminate risk entirely, but to provide a formal process for risk to be evaluated as part of the broader decision-making framework.

This Policy outlines Council's commitment to ensuring enterprise risk management remains central to its activities, and all risk management activities established to support this commitment incorporate the principles established in the *AS/ISO 31000:2018 risk management – guidelines* (Standard) as well as the organisational values of *integrity, inclusiveness, collaboration, and making a difference*.

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Objectives

This Policy guides the following enterprise risk management objectives:

Objective	Description
Strengthen strategy and objective setting	Embed risk-informed decisions into strategic planning and ensure strategies and objectives are considered when managing risk
Inform organisational decisions	Promote informed decision-making through timely and accurate risk assessment and reporting processes
Enhance risk management	Enable risk to be identified early and managed at the appropriate level of authority, to ensure risks are prioritised and responses are adequate.
Drive ethical accountability	Support integrity frameworks by strengthening the control environment to ensure decisions are in the public interest and protect public resources
Protect assets and infrastructure	Support sound asset management by identifying risks impacting the condition, performance and value of physical and digital assets
Protect and create value	Reduce the cost of risk through consistent processes and limit exposure to potentially significant losses by identifying blind spots
Enhance business resilience	Provide the framework for managing disruption risk supporting continuity and recovery efforts during and following crisis
Support compliance	Establish enterprise-wide monitoring of compliance-based risks to assure Council its compliance with legislative, regulatory, and policy requirements
Integrate with business systems	Embed consistent risk management practices into current systems and infrastructure to support all business units and service areas
Promote a risk-aware culture	Role-model positive risk behaviours and openly discuss risk to encourage participation and improve workforce awareness and understanding

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Risk Management Principles

The risk management principles provide the foundation for consistent, effective, and proportionate risk management and for how risk management is governed, applied, integrated, and managed by Council.

Principle	Description
Integrated	Council does not consider risk management as a stand-alone activity but an essential business enabler which must be embedded in strategic and operational planning and manages risk by aligning risk appetite to its values and expectations.
Customised	Council acknowledges risk management must meet the needs of its users to support risk-based decisions and the responsible management of public resources.
Dynamic	Risk management must be responsive to change and be continually reviewed and improved. Risks are monitored and updated to incorporate current information.
Inclusive	Risk is considered through an organisational lens requiring risk management to receive adequate and fair representation from all interested parties to be effective.
Structured & Comprehensive	Risk management must be consistent to produce reliable results for Council, the Executive Leadership Team, and broader workforce to base its decisions.
Best Available Information	Council will always endeavour to base its decisions on a variety of contemporary, comprehensive, and accurate risk information, and acknowledges the impacts of uncertainty and limitations may have on these decisions
Human & Cultural Factors	Enterprise risk management must be adopted by all users to be effective and must adequately balance the complexity of risk while remaining accessible to all users.
Continual Improvement	Risk management will be continually reviewed to remain effective and to ensure the control environment remains responsive to the dynamic environment.

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Commitment to Enterprise Risk Management (ERM)

Council acknowledges effective ERM is designed *for* an organisation, rather than forced *upon* it, and therefore is committed to ensuring risk management remains central to its activities and decisions.

Commitment	Statement
Enterprise Risk Management	Council will embed risk management into strategic, operational, and project planning, activities and decisions, as well as its purpose and values.
Effective governance	Council will maintain adequate oversight and governance arrangements to ensure its enterprise risk management framework is implemented, managed, and maintained appropriately.
Accountable risk management	Council will promote enterprise risk management as a shared responsibility and will empower its workforce to make risk-based decisions and encourage accountable risk management practices.
Strategic planning	Council will integrate risk management systems into strategic planning and decision-making processes and will take into consideration all reasonably foreseeable risks and their impacts.
Application	Council will ensure risks are identified and managed consistent with its values, industry standards, risk appetites, and compliance requirements.
Business Resilience	Council will maintain and improve its emergency management capability and will continue to participate in prevention, preparedness, response and recovery activities to ensure it is adequately prepared and able to support the community during and following crisis.
Disruption	Council will ensure its essential services and functions can continue in a timely matter following significant disruption and will ensure all appropriate business continuity measures are developed.
Integrity control	Council is committed to enforcing a zero-tolerance policy for all unethical, dishonest, or unlawful behaviour, ensuring leaders and elected members model ethical conduct, appropriate levels of resourcing are maintained, and those who detect or report misconduct are not punished
Continual improvement	Council will utilise risk-based insights and risk information to review and improve risk processes and the broader control environment.

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Roles & Responsibilities

Council promotes ERM as a shared responsibility through the assigned roles:

Role	Key Responsibilities
Council	- Ensure enterprise risk management objectives are being addressed - Approve the enterprise risk management policy and risk appetite statements - Consider risk management issues in Council reports - Ensure emergency management requirements are achieved - Establish and maintain an <i>Audit, Risk, and Improvement Committee</i> (ARIC)
Audit, Risk & Improvement Committee (ARIC)	- Satisfy its responsibilities adopted in the ARIC Terms of Reference - Provide assurance and advice to Council to the management of risk - Assess the adequacy of Council's enterprise risk management framework - Oversee enterprise and emerging risks, and relevant audit recommendations - Ensure the periodic review of risk management processes and objectives - Oversee all relevant audit recommendations
Chief Executive Officer (CEO)	- Establish risk management expectations and implement sound risk systems - Support Council to fulfil its legislated responsibilities - Advise Council on all risk matters, including risk appetite and risk tolerance - Meet <i>Regulation 17 Local Government (Audit) Regulations 1996</i> requirements - Identify, assess, and manage enterprise risks and emerging risks
Executive Leadership Team (ELT)	- Support the CEO in setting risk appetite and tolerance - Identify and manage essential services and functions (ESF) - Develop, test, and review business continuity and crisis management plans - Drive risk management culture and display behaviours of good governance - Oversee and govern MLT, workforce, and contractor risk-taking behaviour
Management Leadership Team (MLT)	- Identify, assess, control, treat, and monitor operational risks - Comply with Council risk reporting and risk escalation processes - Integrate risk management within respective operational teams and activities
Workforce & Contractors	- Comply with Council's enterprise risk management policy and framework - Contribute to and participate in sound risk management practices

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Compliance

This Policy complies with the following applicable legislative and statutory requirements:

Legislation	Section	
<i>Local Government Act 1995</i>	Section 5.41(1)	Functions of the CEO. The CEO is responsible for managing the local governments administration and operations.
<i>Local Government (Audit) Regulations 1996 (WA)</i>	Section 17(1)	CEO to review certain systems and procedures. The CEO is to review the appropriateness and effectiveness of the systems in relation to risk management, internal control, and compliance.

Expected Outcomes of ERM

Council expects ERM to achieve the following outcomes:

Expected Outcomes of Enterprise Risk Management	
1	The consistent, timely and accurate assessment of risks that matter
2	Improved business resilience and protection of people, infrastructure, and assets
3	The identification of trends, concentration of risks, and improved forecasting of emerging risks
4	The faster identification of suspicious activities and reduced exposure to misconduct
5	Strengthened regulatory compliance and improved operational processes
6	Increased community trust

Limitations

Council acknowledges the following limitations of ERM and manages accordingly:

Enterprise Risk Management Limitations	
1	Risk management does not make Council decisions and is only an input to inform decisions
2	Risk management cannot predict all negative outcomes and is never a guarantee from harm
3	Risk assessments will not identify and eliminate every risk; we don't know what we don't know

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Risk Appetite and Tolerance

Risk Appetite Statement

Council operates in complex and changing environments and understands it must balance its enterprise risk management objectives against the need to innovate, improve its services, and deliver long-term benefits to the community.

Council recognises different activities require different levels of risk-taking and accepts assuming some level of risk is often unavoidable. As a result, Council does not practice risk management to eliminate risk entirely, but to provide a formal process for risk to be evaluated as part of the broader decision-making framework and expects risk to be considered in organisational decisions and managed to a level that is appropriate to its potential consequences and benefits.

Council adopts a consistent **balanced approach** to risk and maintains a **medium risk appetite**

Adopting a medium risk appetite does not mean Council accepts all medium risks or that high risks cannot be accepted.

Accepted levels of risk are dependent on the nature of the activity, potential consequences and benefits, and any specific appetite for risk in a particular area.

Appetite	Activity	Description
Zero Tolerance	Safety	- Council has zero tolerance for poor safety standards, practices or behaviours that could result in harm to its workforce, contractors, volunteers, customers, service users or members of the public. - Council always expects effective safety controls to be maintained and will act accordingly where unacceptable risks are identified.
	Fraud and Corruption	- Council has zero tolerance for any type of fraud or corruption, or the deliberate misuse of public resources. - Council will maintain the appropriate prevention, detection, and response controls and will investigate all suspected misconduct in accordance with its legal obligations and integrity control plan.
	Legal & Regulatory	- Council has zero tolerance for any action or decision that could result in a significant breach of legislation, regulatory requirement, contractual obligation, or other mandatory requirement. - Council expects compliance obligations to be understood, controlled, managed and monitored.

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Appetite	Activity	Description
Low	Disruption	- Council has a low appetite for risks that could cause significant or prolonged disruption to its essential services or functions (ESF). - Council will maintain the appropriate contingency arrangements and continuity capabilities to support operational resilience.
	Investment	- Council is open to opportunities to invest in initiatives expected to provide lasting community benefits, improve efficiency, reduce operating costs; or strengthen Council's long-term resilience. - Council understands sustainability initiatives can contain high risks while generating long-term benefits which are often not financial, and accepts
Medium	Service Improvement	- Council has a medium appetite for risk associated with improvement initiatives which support more efficient or effective ways of delivering services, improve customer outcomes, progress business intelligence objectives, or provide sustainable, long-term community benefit. - Council accepts improvement involves uncertainty, provided risks are understood and appropriately managed.
	Technology	- Council is open to considered risk-taking where technology improves operational efficiency, service delivery objectives, the customer experience, strengthens digital engagement, or provides business intelligence improvements. - Council always expects technology innovation to be supported by the appropriate governance, security, privacy and risk controls.
High	Strategic Initiatives	- Council takes a balanced approach to accept risks within strategic opportunities, infrastructure investment and major initiatives that can deliver significant long-term community benefits. - Council may accept higher levels of risk where the potential benefits justify the exposure, the risks are clearly understood, appropriate controls are in place, and the decision is within Council risk appetite.

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Risk Tolerance

Effectively managing risk relies on the ability to determine which risks are acceptable, *and which are not*, when developing, managing, and delivering strategies and operational activities.

Risk appetite supports this objective by establishing the type and level of risk Council is willing and able to retain to achieve its objectives, enabling risk to be measured, assessed, and prioritised.

Council acknowledges effective risk management considers and balances risk with opportunity, and applies the following principles when setting risk appetite and tolerance:

Principles of Risk Appetite

- 1 Risk cannot be fully eliminated
- 2 Accepting a level of uncertainty is both necessary and appropriate to achieving objectives
- 3 Identifying, assessing, and managing risk to acceptable levels is more beneficial than avoiding it

Risk appetite is important for effective risk governance, providing the context of risk which can be applied within decision-making frameworks. Council has established the following levels of risk appetite:

Appetite	Description
Zero	Council will avoid taking any risk.
Low	Council is cautious and accepts as little risk as reasonably possible (ALARP).
Medium	Council takes a balanced approach and is willing to accept a reasonable level of risk
High	Council is open to accepting a higher level of risk than normal

Council is willing to accept some tolerance where:

Principles of Risk Acceptance

- 1 There is a clear strategic or community benefit
- 2 Risks are understood and controlled
- 3 Related decisions are transparent and informed

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Definitions and Abbreviations

Term	Definition
Audit, Risk and Improvement Committee (ARIC)	Independent Committee of Council providing oversight and advice on matters of governance, risk management, financial sustainability, and continuous improvement.
ARIC Terms of Reference	Outlines how the Audit, Risk & Improvement Committee supports Council in fulfilling its risk and governance oversight responsibilities.
Business Resilience	The City's preparedness level to deal with uncertainty and absorb, respond to, navigate, and recover from, disruption caused by change, shock, and crisis.
Enterprise Risk	Risks caused by events or decisions which impact the ability of Council to achieve its long-term strategies and IPRF objectives.
Enterprise Risk Management (ERM)	A governance function which integrates risk management into the decisions and activities of the organisation resulting in a consistent, enterprise-approach to identifying, assessing, and managing risk, where all service areas follow the same framework.
Essential Services and Functions (ESF)	Core activities essential to the ability to continue operating, where ongoing disruption could have significant financial, safety, and reputational impacts.
Risk	The effect of uncertainty on objectives; positive, negative, or both.
Risk Appetite	The amount and type of risk Council is willing to accept or retain pursuing its IPRF objectives and corporate plans, guiding risk management processes
Risk Appetite Statements (RAS)	The collection of risk appetite statements informing organisational decisions
Risk Assessment	The process of identifying, analysing and evaluating risk.
Risk Management	The practice of systematically identifying, understanding, and managing risk.
Risk Management Principles	The characteristics of effective risk management established in the risk management standard which guide organisational risk management
Standard	AS /ISO 31000:2018 Risk Management – Guidelines

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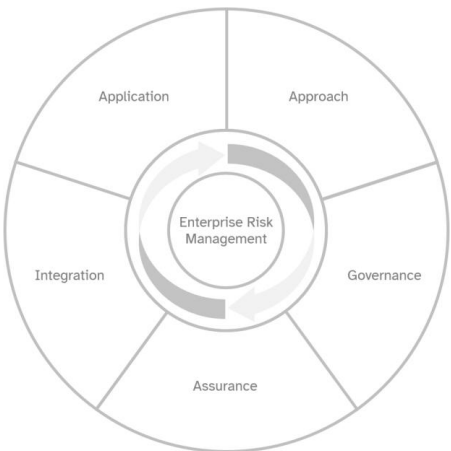
Enterprise Risk Management (ERM)

Enterprise risk management (ERM) is a governance function which integrates risk management into the decisions and activities of the organisation, improving risk competency and driving desired behaviour, both of which support the long-term sustainability of Council by ensuring risk is being managed where sustainability is essential.

Elements of ERM

ERM consists of strategies and applications which contribute to the effective management of risk by addressing risk collectively across key elements; risk governance, assurance, integration, and process.

These elements alone are not responsible for delivering enterprise risk management but exist to govern and guide effective process and provide a foundation for the organisation to define its risk management objectives, and how these objectives will be monitored and managed.



Elements of the enterprise risk management framework

Strengthening the understanding of uncertainty within the context of organisational strategies and risk appetite enables ERM to align risk management objectives to organisational performance, supporting informed risk-taking and enabling Council to focus on the risks which matter, driving accountable risk governance, minimising surprises, and ultimately reducing the level and consequence of risk.

This framework outlines the systems, structures, concepts, and processes (*applications*) which are embedded throughout the organisation to support Council's risk management policy objectives.

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Key Terms

Term	Description
Cause	The factors, either direct or indirect, which give rise to a risk or risk event.
Consequence category	Prominent areas of the organisation which if impacted by a risk event could have a significant impact on the organisations ability to achieve an outcome.
Consequence rating	Assigned assessment rating where risk tolerance is applied to a consequence to provide a level of impact.
Control	The means to reducing the likelihood and/or consequences of a risk. A risk often has multiple controls, and a single control may address multiple risks.
Control rating	A qualitative measure of the adequacy of a control. Controls are rated either adequate or inadequate once tested or rated as unknown until tested.
Disruption	An event or events which impacts Councils ability to deliver one or more ESF.
Emerging risk	New, evolving, or increasingly significant event not yet understood which could impact strategies and objectives.
Enterprise risk	Risks caused by events or decisions which impact the ability of Council to achieve its long-term strategies and IPRF objectives.
Enterprise Risk Management (ERM)	A governance function which integrates risk management into the decisions and activities of the organisation resulting in a consistent, enterprise-approach to identifying, assessing, and managing risk, where all service areas follow the same framework.
Escalation	The process of reporting a risk or threat to a higher authority to ensure those responsible for managing the risk are informed quickly enabling a response.
Essential Services and Functions (ESF)	Core activities essential to continue operating and where ongoing disruption could have significant safety, wellbeing, financial, or reputational impacts.
Likelihood ratings	Assigned assessment rating measuring the estimated probability of a risk event materialising.
Operational risk	Failures in process, people, or systems disrupting workflows and performance.
Opportunity	Event, situation, or circumstance which provides a benefit or creates value.
Opportunity management	Strategic application which focuses on the benefits and potential upside of enterprise and emerging risks identified during the assessment process
Project risk	Risks relating to, or created by, Council projects.

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Term	Description
Reportable event	A risk event which is required to be reported.
Resilience	The overall preparedness level to deal with uncertainty and absorb, respond to, navigate, and recover from disruption caused by change, shock, and crisis.
Responsible Officer (RO)	Person or persons assigned to manage a risk, monitor or assess controls, or assist implementing risk action plans, at the discretion of the risk owner.
Risk	The effect of uncertainty on objectives; positive, negative, or both.
Risk action plan (RAP)	Plans to treat the risks, implement further controls, improve current controls, or undertake other actions, to reduce or mitigate risk, to ensure ownership.
Risk appetite	The amount and type of risk Council is willing to accept or retain pursuing its IPRF objectives and corporate plans, guiding risk management processes
Risk Appetite Statements (RAS)	The collection of risk appetite statements informing organisational decisions
Risk assessment	The process of identifying, analysing and evaluating risk.
Risk category	The separation of risk by characteristic to understand and manage.
Risk criteria	Established set of reference which the significance of a risk is evaluated against. Developed from our strategies, objectives and context.
Risk event	The actual, specific occurrence of the risk materialising.
Risk owner	The person assigned to manage, control, and monitor the risk.
Risk principles	The characteristics of effective risk management established in the risk management standard which guide organisational risk management.
Risk profile	The aggregation of risks with similar characteristics or which relate to a particular service area, directorate, project, or event.
Risk rating	The value assigned to the risk represented by its consequence and likelihood which enables the risk owner to determine if further controls are required.
Risk register	Central risk information repository located in the risk system where related risks are recorded, analysed, evaluated, monitored, and reviewed.
Risk tolerance	The level of risk per individual risk the organisation is willing to accept.
Risk treatment	A measure designed and implemented to further reduce the consequences and/or likelihood of a risk, becoming a control once implemented.

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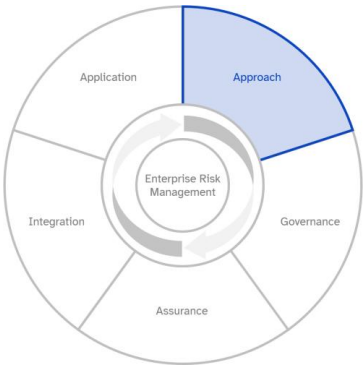


Approach

ERM must be designed for an organisation rather than forced upon it.

The organisation acknowledges a failure to manage its risks could impact the community, cause financial loss, damage its reputation, or lead to other significant consequences.

By aligning risk management to the purpose, values and intentions of Council, ERM allows the workforce to better understand how and why risk decisions are made.



Context

The internal and external environments provide the context for ERM and fundamental for responsible risk management. Context informs the applications which drive accountable risk decisions and ensures the systems and processes are appropriate and support the purpose, vision, and objectives of Council.

Establishing the context for effective risk management is outlined on page 26.

Organisational Values

Values guide decisions, encourage desired behaviours, and influence how risk is viewed and managed.

Value	Application within ERM
Integrity	Risk appetites are clear, defined, communicated, and enforced
	Risk reporting is consistent and accurate, informing strategies, plans, and projects
Inclusiveness	Risk is not measured in isolation but considered through an organisational lens
	ERM is accessible to all user levels and risk decisions are logical and understood
Collaboration	Risk management is a shared responsibility
	Reporting risk is encouraged and without blame
Making a Difference	ERM protects the workforce, the community, and natural and cultural environments
	Risk management will support local innovation and sustainability initiatives

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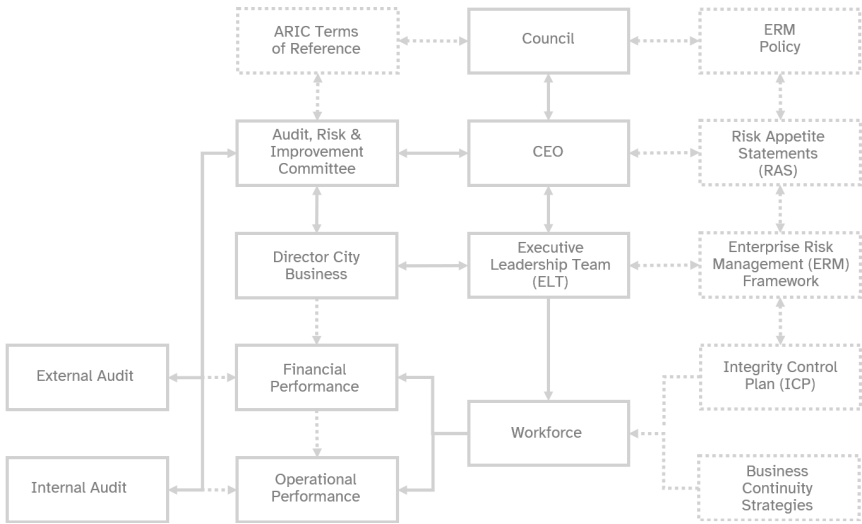
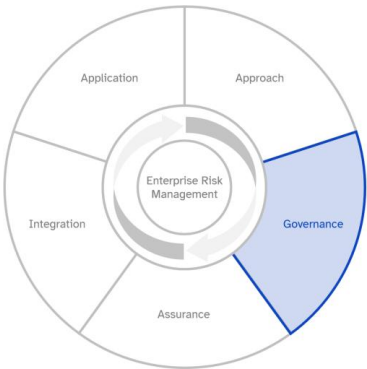
Governance

Risk governance refers to the systems and structures of leadership responsible for monitoring ERM, defining risk and how risk is identified, managed, and reported, and for ensuring the application of risk management is disciplined, controlled, and consistent.

Governance Structure

Council manages risk within an appropriate governance structure which supports its oversight responsibilities and strengthens accountable risk management.

A clear governance structure defines the relationships between governing bodies, operational decision-makers, and the broader workforce, creating transparent lines of accountability and reporting, reducing role uncertainty, and providing some assurance enterprise risks are being managed appropriately and organisational decisions and actions are legal, compliant, and align to purpose, values, and policy.



Risk governance structure supporting the oversight and management of risk and risk-based decision making

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Governing Bodies

Governing Bodies are responsible for overseeing the development, implementation, monitoring, and improvement of enterprise risk management and are ultimately accountable for sound risk governance, which includes:

Objectives
1 Setting the risk appetite of the organisation and ensuring the framework aligns to this appetite
2 Maintaining oversight of enterprise and emerging risks and seeking assurance risk is managed
3 Setting the standards for accountable risk management and ensuring these standards are met
4 Aligning risk management objectives to strategy setting and organisational performance
5 Ensuring enterprise risk management is disciplined, controlled, and consistent

Council

Council is responsible for setting the long-term direction and for developing the policies which determine the priorities, resourcing, and objectives of organisational strategies. Council is also responsible for setting risk appetite and for ensuring the framework outlines how the organisation applies risk appetite to ensure risk is managed appropriately and within the context of Council.

Council is ultimately responsible for ensuring its risk management policy objectives are achieved.

Audit, Risk & Improvement Committee (ARIC)

The Audit, Risk & Improvement Committee (ARIC) is a Committee of Council established to provide independent oversight and assurance, supporting Council to fulfill its risk management responsibilities by strengthening risk governance, driving accountable and transparent risk management through the application of this framework, and for monitoring the financial performance of Council and the integrity of its financial reports.

Governance

Governance is responsible for monitoring and improving enterprise risk management, providing specialist advice and resourcing which support risk management objectives, undertaking organisational risk assessments, and for overseeing the adequacy of the organisations risk management processes.

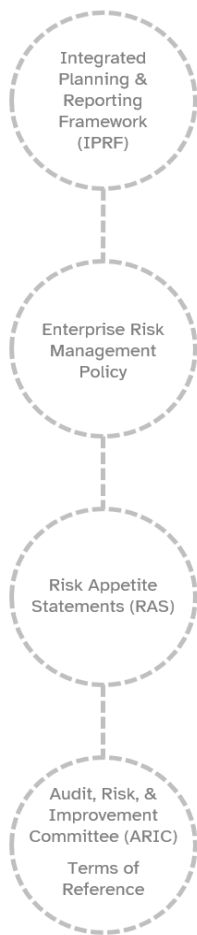
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Governing Risk Documents

Governing risk documents provide the framework for how risk is governed, managed, and reported across the organisation. They establish the authority, accountability, and the roles and responsibilities required to support effective risk management and ensure a consistent and coordinated approach to managing risk, guiding decisions, promoting risk-informed practices, and supporting the achievement of organisational objectives while maintaining alignment with risk appetite and all compliance requirements.



Integrated Planning & Reporting Framework (IPRF)

Led by the Strategic Community Plan (SCP), the IPRF connects and coordinates the strategic, operational, and financial planning activities of Council, and outlines how activities will be funded and managed, and how assets will be utilised. These strategies are complex and often the source of Councils enterprise risks.

Enterprise Risk Management (ERM) Policy

The ERM Policy outlines Councils commitment to risk management and its expectations of the organisation, ensuring risk management contributes to the achievement of its purpose, vision, and delivery of positive community outcomes. This policy is owned by Council and guides this framework.

Risk Appetite Statements (RAS)

Risk Appetite Statements provide the boundaries which guide decisions and priorities, inform services, strategies, and corporate plans, and ensure risk taking is deliberate and considered. Risk appetite represents the optimal balance between the expected benefits of achieving objectives, and the uncertainty Council is willing to accept pursuing them.

ARIC Terms of Reference

The ARIC Terms of Reference is an important document required under legislation which establishes the role, authority, and responsibilities of the Committee, and how risk is to be managed, assessed, and reported to support Council in effectively managing its risks.

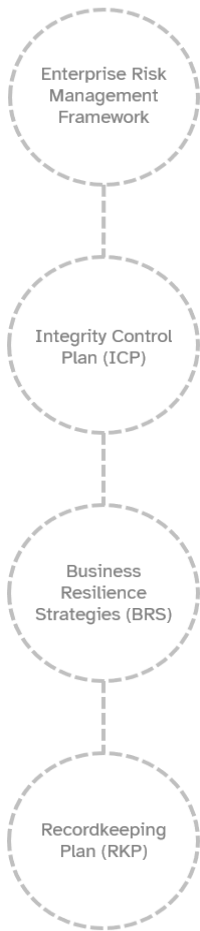
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Operational Risk Documents

Operational risk documents outline the systems, processes, procedures, and controls used by service areas to identify, assess, manage, and monitor day-to-day operational risks. Operational risk documents support the consistent management of risks across operational activities, helping to maintain service standards, ensure compliance with requirements, and achieve both service delivery and operational performance objectives, by providing practical guidance for managing risks at the operational level and supporting the effective implementation of the organisation's broader risk management framework.



Enterprise Risk Management (ERM) Framework

The ERM framework outlines the structured and systematic approach the organisation identifies, analyses, evaluates, treats, controls, monitors, and reports risk, ensuring Council's risk policy objectives support the achievement of its strategies and objectives, supporting effective risk governance and demonstrating the existence of consistent and transparent risk management practice.

Integrity Control Plan (ICP)

The Integrity Control Plan (ICP) outlines the coordinated approach Council takes to prevent, detect, and respond to misconduct, and the protections afforded to disclosers. The ICP integrates governance, risk management, culture, and the control environment into a single plan designed specifically to address and combat fraud and corruption.

Business Resilience Strategies (BRS)

Business Resilience Strategies outlines the planning, preparation, response and recovery strategies developed to navigate disruption caused by change, shock, crisis, and emergency, to support a quick and safe recovery and the resumption and continuation of essential services and functions.

Recordkeeping Plan (RKP)

The Recordkeeping plan (RKP) outlines how Council creates, captures, stores, manages, retains, protects, and disposes of records, and is essential for supporting effective governance, legislative compliance, accountability and transparency, and evidence-based decision-making.

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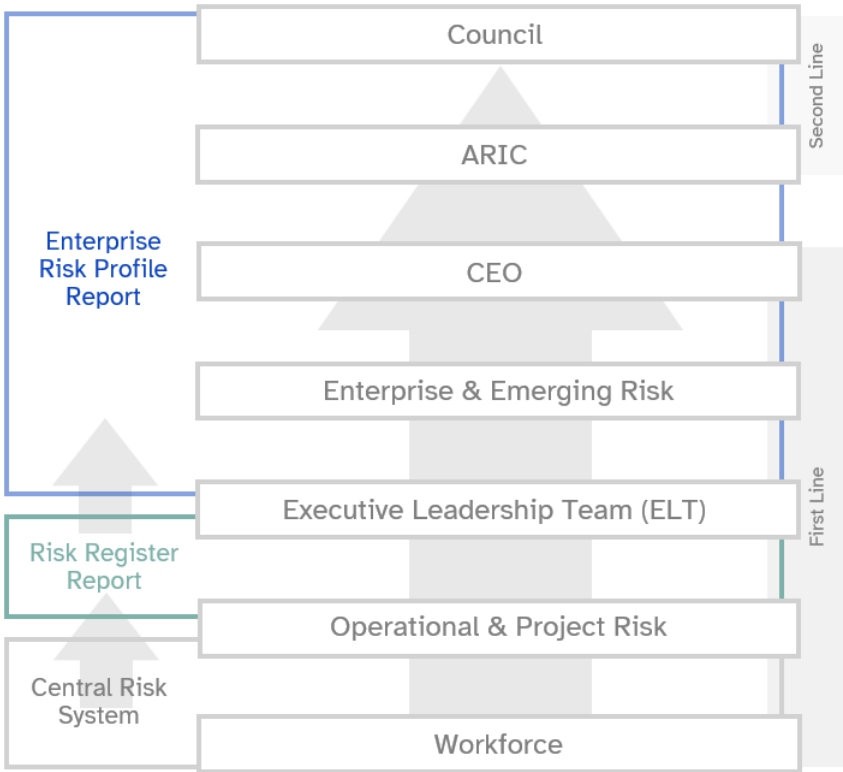


Reporting Guidelines

Risk reports are a critical governance function and are responsible for communicating risk information throughout the organisation, improving oversight, informing decisions, and supporting objectives.

Reporting Pathway

The reporting pathway refers to the flow of risk information from the operational levels of the organisation to decision-makers and governing bodies and is important for ensuring risk is addressed and actioned at the appropriate authority level. The below reporting pathway model illustrates how risk information moves vertically through the organisation.



Risk governance model for reporting risk supporting risk-based decision making

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Reporting Cycle

Reliable risk information is critical to effective risk management. Risk information must be generated through the approved risk management process and recorded, analysed and evaluated in the central risk management system to ensure accuracy and consistency

Existing controls and treatments must be considered throughout the assessment process to ensure risk ratings accurately reflect the actual level of risk exposure.

Following assessment, risk information must be reviewed by management and risk owners to confirm accuracy, completeness, and quality.

Risks are then aggregated into risk profiles that support the identification of enterprise risks, risk themes, emerging trends, and potential future risks.



Workflow of the risk reporting cycle

Risk Reports

Risk reports improve the visibility of the organisations significant enterprise and emerging risks, providing Council and its governing bodies with a strategic understanding of the risk landscape, supporting informed governance, accountable escalation and decision-making processes, effective resource allocation, and the proactive management of risk, minimising surprises and reducing the potential impacts and consequences of risk.

The following table outlines the minimum risk reporting requirements:

Report	Author	Audience	Purpose	Frequency
Enterprise Risk Profile Report	CEO	ARIC	Provide assurance to Council its enterprise and emerging risks are being managed	Quarterly
Risk Register Report	Manager Governance	ELT	Communicate operational and project risks throughout the organisation	Monthly

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Enterprise Risk Profile Reports

Enterprise risk profile reports provide oversight and assurance to the second-and third lines on enterprise and emerging risks.

Reports must be approved by the CEO prior to submitting to the ARIC.

Author	Audience	Content Focus	Objectives
ELT	Council	Enterprise risk profile	Provide assurance to the second-and third lines on the following:
		Emerging risk profile	
		Escalated risks	enterprise risks are appropriately monitored and managed
	ARIC	Breaches of risk appetite	emerging risks are being considered
		Strategies and objectives	risk appetites are being applied
		Impacted essential services and functions (ESF)	risks align to strategies and plans
		Business resilience planning and preparation	audit findings and recommendations have been considered
		Improvement opportunities	improvement opportunities are being identified and justified

Aligning to the Three Lines Model

Body	Role	Responsibilities
Council	Receive	Ensure risk management objectives are being met Ensure emergency management requirements are achieved
ARIC	Monitor	Provide assurance and advice to Council to the effective management of risk Assess the adequacy of risk management applications Oversee the management of enterprise risks Ensure risk management competency is adequately resourced
CEO	Own	Support Council to fulfil its governance, and oversight responsibilities Advise Council on all risk matters, including risk appetite Establish risk management expectations and implement sound risk systems Identify, assess, and manage enterprise and emerging risks
ELT	Inform	Monitor, review and advise the second line on material risks Ensure adequate and true risk reporting to the second line

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Risk Register Summary Reports

Summary Reports are responsible for communicating accurate and timely operational and project risk information throughout the organisation to ensure all relevant parties are informed.

Reports must be approved by Manager Governance prior to submitting to the ELT

Author	Audience	Content Focus	Objectives
Manager Governance	ELT	Operational risk profile	Communicate operational risks throughout the organisation to ensure: - risks are identified and managed - the control environment is effective - critical controls are resourced and risk action plans are implemented - escalation processes are followed - process gaps, interdependencies, trends, and concentrations of risk are evaluated and addressed
		Project risk profile	
		Directorate risk profiles	
		Event risks	
		Interdependencies	
		Risk trends and concentrations	
		Process gaps	
		Control environment	

Aligning to the Three Lines Model

Body	Role	Responsibilities
ELT	Monitor	Monitor, review and advise the second line on material risks
		Ensure adequate and true risk reporting to the second line
		Establish risk management expectations and implement sound risk systems
		Drive risk management culture and display behaviours of good governance
MLT	Own	Identify, assess, treat, and monitor respective risks
		Escalate material risks to the ELT
		Oversee control improvements and risk action plans and treatments
		Drive risk management through their respective teams
Workforce	Inform	Integrate risk management into operational activities
		Identify, assess, treat, monitor, and escalate respective risks
		Drive acceptable risk culture and behaviours
		Support control improvements and risk action plans and treatments
		Participate in risk management processes

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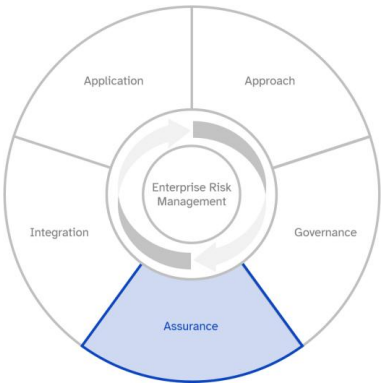


Assurance

Enterprise risk management cannot provide absolute certainty.

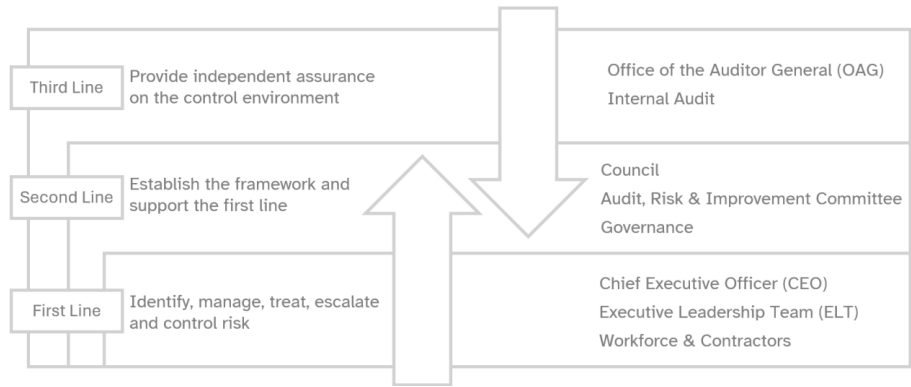
Council attains confidence in the design of the framework and the performance of the control environment through the various assurance functions and activities which validate the framework by providing the evidence risk management is being applied.

Assurance provides credibility to the framework, strengthening risk governance, and improving resilience.



The Three Lines

The three lines assurance model outlines the roles and responsibilities for establishing and managing accountable risk management practices, supporting effective risk governance by putting leadership at the centre of enterprise risk management, separating risk ownership from those governing the process and from those providing independent assurance.



The three lines assurance model supporting effective risk governance and assurance

The three lines supports decisions and actions by enhancing transparency, improving the control environment, and reinforcing segregation of duties.

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Roles & Responsibilities

The First Line

The first line owns risk and is responsible for identifying, assessing, treating, and monitoring risk.

Responsibilities

- 1 Embedding risk management into business plans, service agreements, project and event planning
- 2 Maintaining the control environment and escalating risk to the second line as required

First Line	Key Responsibilities
Chief Executive Officer (CEO)	Establish risk management expectations and implement sound risk systems Support Council to fulfil its governance, and oversight responsibilities Advise Council on all risk matters, including risk appetite and risk tolerance Ensure reporting guidelines and escalation processes are effective Meet <i>Regulation 17 Local Government (Audit) Regulations 1996</i> requirements Identify, assess, and manage enterprise risks and emerging risks Lead the Crisis Management Team (CMT) during disruption
Executive Leadership Team (ELT)	Will be assigned risk owners in most circumstances Support the CEO in setting risk appetite and tolerance Monitor, review and advise the second line on all significant risks Undertake business impact analysis (BIA) ensuring all threats are considered Maintain business continuity and crisis management plans, understand roles Drive risk management culture and display behaviours of good governance
Management Leadership Team (MLT)	Will be assigned control owners of operational risks in most circumstances Identify, assess, treat, monitor, and escalate risk Drive acceptable risk culture and behaviours Integrate risk management into all activities Oversee control improvements and risk treatments
Workforce & Contractors	Support risk management practices, treatments and control improvements Participate in risk management processes and training as required

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The Second Line

The second line does not own risk but is responsible for overseeing the achievement of risk management policy objectives. The effectiveness of the second line relies on the performance of the first line.

Responsibilities

- 1 Establishing, maintaining and overseeing the application of the risk management framework
- 2 Supporting the first line to effectively manage risk
- 3 Ensuring Council is equipped to withstand and respond to uncertainty, crisis, and emergency

The effectiveness of the first line relies on the performance of the second line

Second Line	Key Responsibilities
Council	Ensure risk management objectives are being met
	Consider risk management issues in Council reports
	Approve the enterprise risk management policy and risk appetite statements
	Ensure emergency management requirements are achieved
	Establish and maintain an <i>Audit, Risk, and Improvement Committee</i> (ARIC)
Audit, Risk & Improvement Committee (ARIC)	Sponsor of this document
	Provide assurance and advice to Council to the management of risk
	Review annual financial statements
	Assess and periodically review the adequacy of risk management applications
	Oversee the management of enterprise risks
	Review external audit reports and oversee all relevant audit recommendations
	Satisfy its responsibilities adopted in the ARIC Terms of Reference
Governance	Ensure risk management competency is adequately resourced
	Owner of this document
	Develop and maintain an appropriate risk framework
	Manage and control the risk management system
	Periodically test business continuity and crisis management plans
	Deliver risk and governance-related education and training
	Manage Council Policy

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The Third Line

The third line consists of internal and external audit functions operating independently, providing assurance to Council by reporting all findings and recommendations through the ARIC.

Responsibilities

- 1 Provide assurance to Council the first two lines are effectively managing and governing risk
- 2 Audit of financial statements and the financial health of the organisation
- 3 Assessment of operational performance and effectiveness of the control environment,

Third Line	Key Responsibilities
Office of the Auditor General (OAG)	Ensure the integrity of the organisation's financial health by way of independent audit of annual financial statements
	Communicate independent and objective advice and assurance to Council on the effectiveness of risk governance and the control environment
	Report deficiencies and provide recommended solutions and treatments
	Provide guidance to Council through financial and performance audits
Internal Audit	Provide independent assurance on key functions
	Provide independent oversight of the first and second lines
	Review the appropriateness of the enterprise risk management framework

Assurance Activities

Council undertakes the following ERM assurance activities:

Activity	Objective
Compliance Audit Return (CAR)	Council completes an annual self-assessment required under regulation 14 of the <i>Local Government (Audit) Regulations 1996</i>
Risk Maturity Assessments	Council benchmarks the effectiveness of the framework against industry standards annually to inform the risk roadmap
Control Testing	Council tests the performance and adequacy of selected controls, guided by operational risk decisions and the internal and external audit functions

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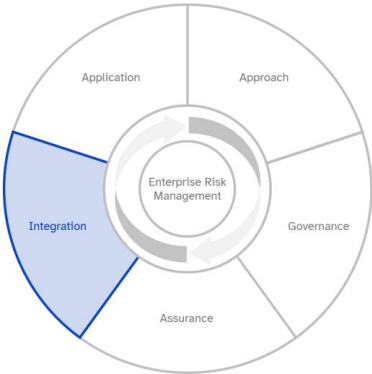
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Integration

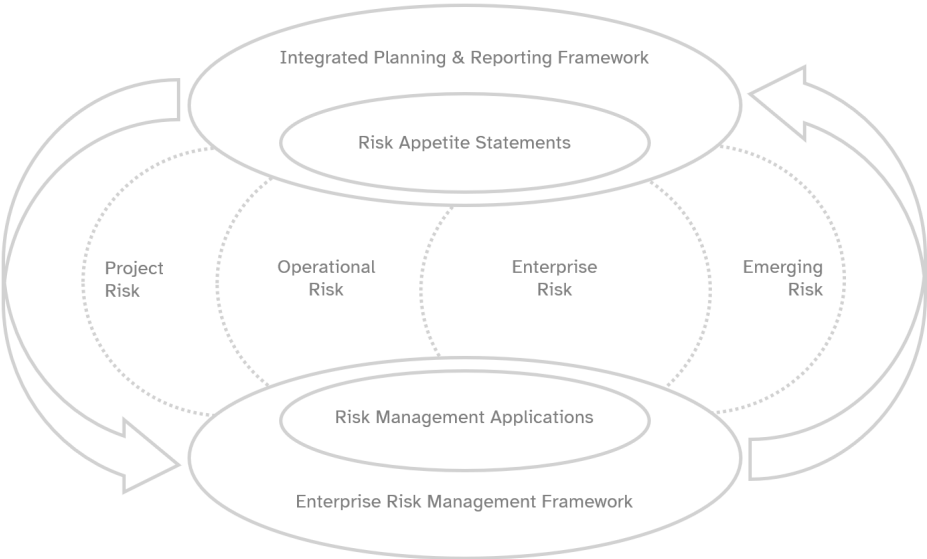
Integration is responsible for transitioning risk management from a compliance activity into a strategic governance function.

Embedding risk management into workflows, planning processes, policy development, project management, financial reporting, and business continuity provides Council with a reasonable level of assurance risk which could impact the performance, integrity, or reputation of the organisation is being managed.



Aligning Risk Management to Strategy

Embedding risk management activities, actions, and processes into planning, governance, and decision-making frameworks supports the development and delivery of organisational objectives and priorities, informing strategies and the strategic performance and long-term vision of Council.



The integration model enabling enterprise risk management to inform strategies, objectives and decision-making frameworks

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Integrating ERM also supports Council strategies by reducing uncertainty, improving decision-making, protecting public assets, and supporting the safe delivery of public services by:

Outcome	
1	Assisting in the identification of risks which could impact strategies and objectives
2	Supporting informed and risk-aware decisions at the decision-making level
3	Strengthening governance by establishing accountable and responsible risk management process
4	Ensuring risk appetite aligns with and supports strategies and objectives
5	Prioritising resources towards the most appropriate risks and opportunities

Risk Management System

The risk management system is central to ERM and the integration of risk management, providing a single source of truth where risk is captured, assessed, managed, monitored, escalated, and reported, supporting informed risk-decisions and providing the organisation with a greater degree of assurance its governance, risk, and compliance activities are being managed as effectively as possible.

Operationally, the risk management system is important for streamlining risk management processes; automating manual tasks, reducing administrative resources, removing unnecessary duplication and manual applications, and improving the end user experience.

Risk Profiles

Risk profiles are important for effective governance, consolidating and summarising large amounts of risk information to support timely, informed decision-making, helping the organisation understand the nature and level of risk, the potential consequences, effectiveness of the control environment, treatment actions, and resourcing requirements.

Organisational risk profiles are designed to:

Objectives	
1	Support organisational decision-making, accountability, and governance frameworks
2	Provide governing bodies with a clear understanding of the organisation's exposure to risk
3	Assist the organisation to anticipate, withstand, respond to, and recover from disruption.
4	Maintain community trust, confidence, and support in the ERM framework

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Risk Categories

Classifying risk into categories of significance and characteristic allows for a deeper analysis and helps identify trends and concentrations of risk which may be a cause or consequence of something greater.

	Enterprise Risk	Emerging Risk	Operational Risk	Project Risk
Summary Description	Impact the entire organisation	Unknown or unclear significant events	Impact service areas and process	Impact project success
Origin	External events	External events	Process failures	Project planning
	Strategic decisions	Governance failure	System failures	Contracts
Impacted Areas	IPRF objectives	Strategic planning	Essential services and functions	Project delivery
	Public outcomes	Business continuity		Financial
Identification	Strategic planning	Horizon scanning	Risk assessments	Project planning

Enterprise Risk

Enterprise risks impact the entire organisation and can lead to serious injury or death, significant financial loss, legal exposure, and reputational harm. While the effects may not often be immediate, they are usually extensive and require executive decision-making, governance, and leadership to manage.

Emerging Risk

Emerging risks are new or evolving risks which are often not understood or difficult to identify but have the capability and potential to significantly impact Council, arising from change, technology, disruption, or shifts in community expectations, and are often overlooked, or misunderstood.

Operational Risk

Operational risks arise from a failure in process, people, or systems, and impact performance or disrupt workflows by causing inefficiencies, failures, and frustration, and can escalate into enterprise risks if left unmanaged or if they impact essential services and functions.

Project Risk

Project risks impact the successful planning, execution and delivery of a project as well as contractors, investors, communities, and the organisation, and can result in significant reputational damage, legal exposure, financial losses, and the ability of Council to achieve its future strategies.

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Consequence Categories

Consequence categories define the prominent areas of the organisation which could be affected by risk, providing a consistent framework for the organisation to assess and evaluate the severity of risk, and enable the assessment of risk to align with Council strategies and objectives, and community outcomes.

Consequence categories enable a single risk event to be assessed across multiple prominent areas of the organisation, providing a more accurate understanding of the risk, eliminating any unnecessary duplication and assisting in the development of controls and treatment plans and coordination of resources.

Category	Description	Purpose
Safety & Wellbeing	The extent to which a risk may result in fatality or physical or psychological injury, harm, or illness to our workforce, contractors, elected members, the community, or public	Focuses on impacts to human health and wellbeing
Financial Loss	The extent to which a risk may result in downward financial pressure or affect financial sustainability, including loss of revenue, cost overruns, reduced funding, fraud, or impairment.	Focuses on the cost of risk, uncertainty, and consequence
Operations	The extent to which a risk may result in inefficient systems or processes, impede organisational performance, or impact workforce productivity, morale, culture, and improvement	Focuses on Council's capability to operate safely and efficiently
Reputation	The extent to which a risk may result in damage to the integrity, credibility, public trust, or image of Council, affecting its relationships with its communities and commercial partners	Focuses on public perception and its opinion of Council
Legal & Compliance	The extent to which a risk may result in breach of legislation, regulation, standard, contractual obligation, license condition, or Council policy, resulting in litigation, penalty, or intervention	Focuses on impacts of non-compliance and breach
Service Disruption	The extent to which a risk may result in the disruption, delay, or reduction in the quality, availability, accessibility, or reliability of Council services and functions	Focuses on impacts of service failure on our service users
Social Impact	The extent to which a risk may result in adversely affecting the wellbeing, safety, equity, inclusion, connectedness, cohesion, or quality of life of people, communities, or vulnerable groups	Focuses on impacts on social wellbeing, cohesion, and access
Environment	The extent to which a risk may result in the loss, damage, or modification to the natural environment or heritage assets caused by, pollution, contamination, or commercial impacts	Focuses on impacts to heritage assets and the environment

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Elements

Assessing risk against elements of the framework enables the organisation to identify any themes or trends related to the application of enterprise risk management which may assist in determining any gaps, deficiencies or weaknesses in the framework which may also assist in mitigating risk.

Element	Description	Assessment
Governance	Risks associated with the decisions, actions, inaction, or reporting of risk	Risk governance, oversight, or leadership
		Enterprise risk reporting
Assurance	Risks caused by unclear roles, process failure, or human error	Role or responsibility
		Effectively deliver service or function
	Risks associated with workforce behaviour and judgement	Misconduct (Fraud)
		Misconduct (Behaviour)
Integration	Risks associated with the application and testing of controls	Assurance activities
		Control environment
		Integrating risk into processes or systems
Application	Risks caused by the failure of risk appetite to inform the organisation	Aligning risk to strategy or objectives
		Assessing and managing risk
Application	Risks associated with the application of the risk management process	Escalating risk

Opportunity Management

Opportunities are the positive outcomes from risk events, disruption, change, circumstance, or emerging trends which have the potential to provide benefits, create value, improve performance, strengthen resilience, or positively influence Council strategies or objectives.

Opportunity management is a strategic element of enterprise risk management which focuses on identifying, assessing, and realising potential benefits associated with enterprise and emerging risks, technology, innovation, and change

Opportunity management supports informed decision-making and enables Council to capitalise on favourable conditions and opportunities that may advance organisational objectives.

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The CEO is responsible for opportunity management and will ensure that opportunities are appropriately considered as part of strategic planning, risk management, and organisational decision-making.

Methodology

Applying the organisations risk management methodology in the assessment of opportunities allows the organisation to identify, assess, understand, and enhance any potential benefit that may arise from the risk event occurring.

Process	Tasks
Identification	- Identify potential or expected upside in the risk or occurrence of the risk event. - Identify how this upside would benefit the organisation or community.
Analysis	- Assess the potential or expected value to be created from the opportunity. - Assess the likelihood of the opportunity. - Assess all potential positive outcomes from the opportunity. - Determine the required resources. - Identify any restrictions, barriers to success, or key dependencies.
Evaluation	- Determine if the opportunity aligns with IPRF and other Council strategies. - Evaluate the opportunity against the appropriate risk appetites. - Determine if the benefits are worthy of risk tolerances being tested or breached. - Evaluate the opportunity against applicable criteria (financial). - Determine if the benefits outweigh the risks.
Treatment	- Determine if the opportunity, benefits, or likelihood of success can be enhanced. - Determine if barriers or bottlenecks could be removed or improved.
Communication & Consultation	- Ensure interested and impacted parties are engaged or informed of the process. - Gather a range of diverse perspectives and expertise.
Monitoring & Review	- Determine if expected benefits are being realised. - Monitor for changes in conditions which affect the benefits or outcomes.

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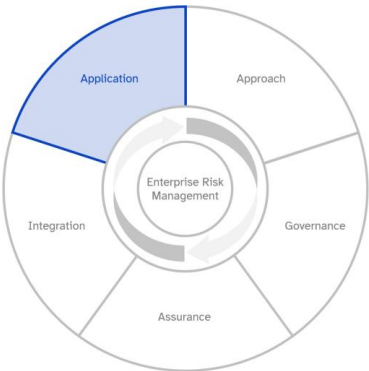
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Application

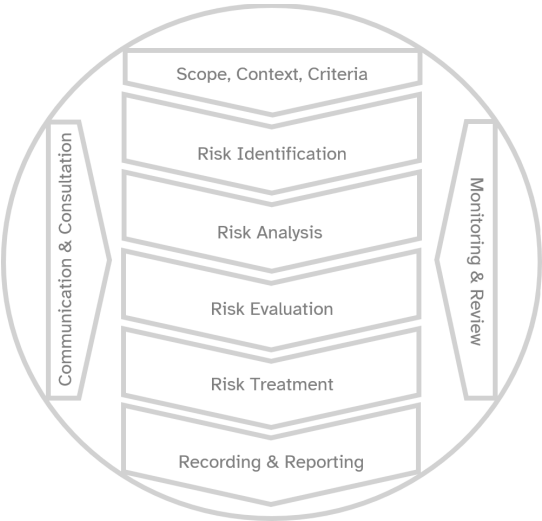
Understanding uncertainty equips the organisation with the information needed to appropriately manage risk and the events which trigger them, informing the decisions, actions, and activities which influence and guide how risk is prioritised and controlled.

This understanding supports effective risk governance, service continuity, legal and regulatory compliance, business resilience, and community confidence, and can only come from applying consistent and effective risk management processes.



The Risk Management Process

The risk management process is the considered and structured approach taken by the organisation to capture, identify, analyse, evaluate, treat, monitor, and communicate risks which affect the organisation and its ability to successfully deliver its strategies and objectives, outlined below:



AS/ISO 31000:2018 Risk Management – Guidelines risk management process

The following steps are the **minimum requirements** for managing risk.

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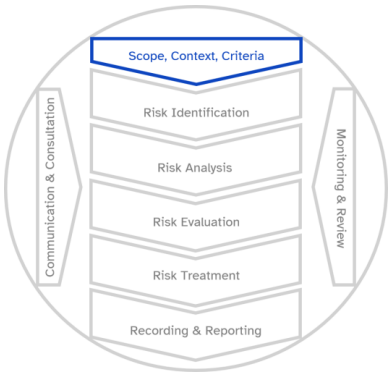
Scope, Context, Criteria

All risk should be assessed within the context of the object under consideration.

The scope, context and criteria provide the foundation for the risk management process and are collectively responsible for customising the risk assessment framework which will deliver accurate and reliable assessment outcomes.

Scope

The scope establishes the boundaries for risk management by ensuring any uncertainty affecting the object are addressed, while uncertainty not impacting is avoided.



Scope	Description	Application
Object	The objective, strategy, activity, process, function, project, asset, or service.	A system risk assessment will differ from a project viability risk assessment
Purpose	Understand and articulate the purpose of the risk assessment. Why are we here?	Assessment outcomes will vary based on the object and type of process
Timeframe	Determine the time horizon of the object being assessed. Are the risks here now?	Short-, medium-, or long-term risks can impact differently
Knowledge	Determine what information you could use to support the assessment	Be mindful of biases or assumptions which could impact the process
People	Ensure all interested parties are involved or given the option to participate	Failing to get the right people could impact accuracy and even create risks

Context

Context refers to the organisations operating environments.

The internal context is the complex inner workings of the organisation, such as structure, hierarchy, norms and cultures, factors which it can exercise a significant level of control over.

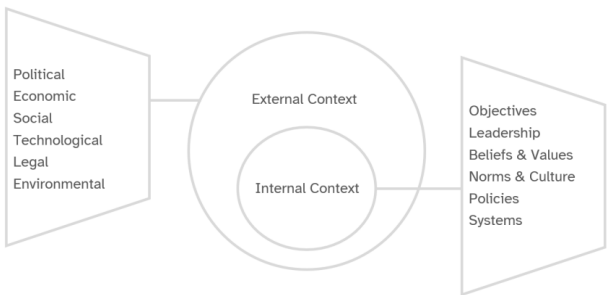
As risk is defined as the effect of uncertainty on objectives, objectives sit at the top of this list.

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The external context refers to the outside factors which influence strategies and objectives and which the organisation has little to no control over and often only able to react and respond to.



Elements of the External and Internal environments

Establishing the context ensures the organisation spends time on the right risks.

Criteria

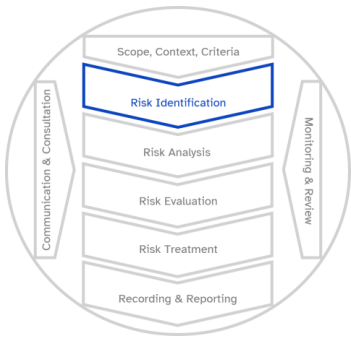
Risk criteria enable the organisation to determine the significance of risk, how much exposure it is willing and able to accept, and guides the most appropriate treatments. Risk criteria reflect the values, culture, strategies and objectives, and available resources of the organisation.

Risk Identification

Risk identification is the process of finding, recognising, describing and documenting risks, events, situations, or circumstances which could impact the organisation.

The risk identification process provides the platform for the organisation to begin identifying sources of harm, uncertainty, and disruption, helping the organisation to understand its potential exposure to risk.

Users then tie these to what is critical to the success of the object under consideration.



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Effective methods for identifying risks include:

Method	Description
Discovery Sessions	Discovery sessions are discussions to identify all possible risks and outcomes. Ideal when starting a new project or risk assessment. Simple but effective.
Rumsfeld matrix	Improves risk management decisions by separating knowledge from uncertainty. Effective for identifying emerging risks and continuity planning
SWOT Analysis	Using a SWOT Analysis (<i>Strength, Weakness, Opportunity, Threats</i>) on the strategy or objective under consideration helps identify risk and uncertainty.
Assumption Analysis	The IF-THEN method theoretically test assumptions for potential threats, as assumptions that fail to hold true may create future risks.
Scenario Analysis	Relevant stakeholders are provided with a set of various scenarios where they attempt to identify all risks, causes, likelihood, and consequences.

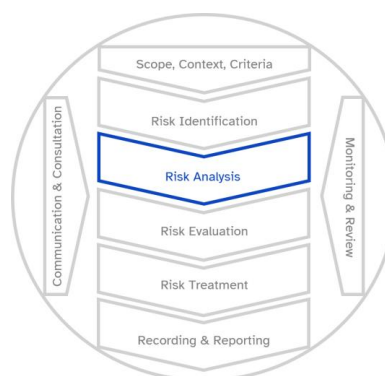
Users should consider what is critical about the activity under consideration, focus on the risk event rather than the consequence, and ensure all consequences directly relate to an objective or outcome.

Risk Analysis

Risk analysis involves investigating all potential causes and consequences of a risk event, the likelihood of the risk event occurring, and the areas of the organisation which are expected to be impacted.

For enterprise and emerging risks, the organisation may benefit from understanding the speed at which it could expect to feel the impacts of risk once a risk event is triggered, as well as the length of time the consequences are expected to persist.

This information enables the organisation to understand and properly evaluate the risk.



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Framing a Risk

Framing a risk correctly is important for capturing the essence of the risk, the relationship to the risk, and how the organisation recognises, approaches, and treats the risk.

The CEC method a common and preferred method for framing risk:

Method	Examples
Cause	due to <i>ageing ICT infrastructure and limited ICT capital investment</i>
Risk Event	The organisation is at risk of <i>experiencing a prolonged system outage</i>
Consequence	resulting in <i>significant disruption, breach of compliance, and reputation harm</i>

Consequence and Likelihood

Consequence and likelihood are two risk assessment criteria used to establish the significance of a risk ($\text{Risk Rating} = \text{Consequence} \times \text{Likelihood}$).

Consequence

Assessing the consequences against the consequence criteria enables the organisation to determine and understand the potential severity of impact and any residual effects of the risk events.

Category	Description
Safety & Wellbeing	Impacts to the health, safety, and wellbeing of people and the community
Financial Loss	Direct and indirect financial loss and downward economic pressures
Operations	Impacts to the performance of systems, processes, and workforce
Reputation	Negative opinion or perception to the image or credibility of Council
Legal & Compliance	Consequences due to the failure to act in accordance with law or regulation
Service Disruption	Failure to maintain continuity of an essential service or function
Social Impact	Impacts to community wellbeing, accessibility, equity, and quality of life
Environment	Loss, damage, or modification to the natural environment

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Risks are then assigned one of the following consequence ratings once assessed, reflecting the most realistic, impactful worst-case scenario.

Consequence	General Definition
Extreme	Devastating impacts which could have sustained influence over Council decisions, strategies, and financial management objectives over the long-term
Severe	Serious and potentially harmful impacts which could influence Council decisions, actions, and financial management objectives if left unmanaged
Major	Some detrimental impacts not expected to impact Council but could have some short-to-medium term influence over the decisions and actions of the workforce
Moderate	Limited impacts which may have some short-term influence over the decisions and actions of the workforce
Minor	Minor impacts with little lasting effects which may cause some inconvenience to the workforce over the short-term

Likelihood

Likelihood refers to how likely a risk will eventuate, assessed in qualitative terms (*the event may occur*), frequency (*annual return period*), or estimated probability (*duration of project*). Likelihood is forward-looking and based on the best available information, therefore cannot be based on historical information or past incidents alone, but must consider the potential for future occurrence over defined timeframes (1, 3, 5, and 10 years)

As well as historical data, user should also include forecasts, expert judgement, assumptions, and future conditions when assessing likelihood. As there are often multiple consequences for a risk, likelihood is based on *the risk event occurring* and not on a particular consequence materialising.

Rating	General Definition
Almost Certain	The risk is expected in most current/known circumstances
Likely	The risk is expected in many current/known circumstances
Possible	The risk is expected in some current/known circumstances
Unlikely	The risk is expected in select current/known circumstances
Rare	The risk is not expected in any current/known circumstances

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Velocity and Duration

Risk velocity and risk duration are particularly useful for assessing risk which need to be managed over longer timeframes and require higher levels of oversight, resourcing, investment, and structured control.

Risk Velocity

Risk velocity refers to the speed at which a risk can affect the organisation once a risk is triggered or a risk event materialises.

Understanding the velocity of a risk allows the organisation to prioritise its contingency and response planning, assists in the development of appropriate treatments and controls, and helps gain an understanding of the level of monitoring that may be required for a particular risk.

Description	Objective
The assessment of how quickly the effects of a risk event are expected to be felt by the organisation	Risk velocity outlines the estimated timeframe the organisation is likely to have, or need, to respond to, escalate, or control, a risk

Risks should be assessed and assigned one of the following velocity ratings:

Rating	Description	Timeframe
Immediate	The impacts are felt immediately, often with little to no warning	Minutes to Hours
Rapid	The impacts are felt quickly but detection is often possible	Days to Weeks
Gradual	The impacts are gradual with a reasonable timeframe to respond	Month to Years

Examples of risks which benefit by having their velocity assessed include:

Risk Type	Reason
ICT and Cyber	Can affect critical systems immediately with organisational-wide impacts
Emergency Management	Threat to life and assets which requires time-critical response strategies
Reputational Harm	Any event where a slow response would materially impact reputation

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Risk Duration

Risk duration refers to the endurance of the effects of a risk, specifically how lasting the effects of the risk are expected to be if a risk event was triggered.

Understanding the duration of the impacts of a risk helps establish an expected recovery period which enables the organisation to plan and develop the appropriate treatment strategies.

Description	Objective
The assessment of how lasting the effects of a risk event is expected to be following a risk event	Risk duration outlines the expected recovery period following a risk event which assists the development of realistic response and recovery strategies and treatments

Risks should be assessed and assigned one of the following duration ratings:

Rating	Timeframe	Definition
Temporary	<3 months	The impacts are expected to persist for a limited time only, be resolved quickly, and have little ongoing financial impact
Persistent	< 24 months	The impacts will only remain over the near term, re-emerge, reoccur, or be felt periodically, and are only expected to impact a single budget cycle
Enduring	> 24 months	The impacts will be felt over an extended period, may not disappear entirely, affect purpose and strategy, and impact multiple budgets

Additional Guidance

Some further notes to consider when assessing risk:

Description
1 Consequence must always be assessed first and take priority over all other assessment criteria
2 Risk management is often based on individual experience and opinion, not fact or evidence
3 Aim to achieve consensus when determining a rating, not absolute certainty
4 Ensure you implement any industry required or recommended risk management processes

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Control Environment

Control Effectiveness

Controls are designed to minimise or eliminate risk to ensure activities operate as expected and are delivering expected outcomes every time. A control’s effectiveness directly influences the likelihood or consequence of the risk, or both, therefore assessing control effectiveness helps determine if existing controls are operating as intended, and assists in identifying system or process gaps, breakdowns, failures, or weaknesses. The following table is designed to assist in the assessment of controls:

Assessment	Examples
<i>Why does the control exist?</i>	What is the control targeting and what mechanisms influence the risk. Does the control target a specific consequence or multiple consequences Is the control preventative, detective, or corrective
<i>How does the control work?</i>	What is required for the control to be effective and can it be bypassed Does the control target a particular process, step, or action Does the control rely on specific systems or mechanisms
<i>How will you measure control effectiveness?</i>	Can the control be observed, mapped, or tested Do results vary when performing, mapping or testing the control

Control Assessment Checklists

It is important to understand what elements of the control are being assessed when determining its effectiveness. The following assessment checklist should be referred to when assessing controls:

Control Assessment	Y/N	RAP#	Control Owner Comments
Process is documented			
Clear segregation of duties			
Control is monitored			
Clear approval processes			
Cybersecurity protections			
Documented review history			

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Control Ratings

Once assessed, controls are assigned one of the following control ratings:

Control Rating	Description
Adequate	The control environment is providing reasonable assurance. Certain controls may need improvement.
Inadequate	The control environment currently fails to provide a reasonable level of assurance and needs improvement.
Pending	Controls require testing and are currently not rated. Critical risks cannot be assigned a pending control rating. High risks have 90 days to be tested.

Risk Ratings

Risk ratings are the assessed level of risk determined by calculating the **Consequence x Likelihood** of the risk, establishing the significance of a risk which enables the organisation to determine:

Objective
1 If the assessed level of risk is acceptable in relation to risk appetite.
2 How urgently the risk needs to be addressed.
3 If current controls are adequate relative to the assessed level of risk.
4 The prioritisation of risks which require closer monitoring, further treatment, or escalating.
5 The appropriate allocation of resources and attention to a risk.

Council uses the following risk ratings:

Risk Rating	Description
Critical	Threats carrying significant and potentially catastrophic impacts.
High	Threats carrying potentially significant impacts.
Medium	Threats with non-critical impacts if managed appropriately.
Low	Threats when managed appropriately are not expected to impact the organisation.

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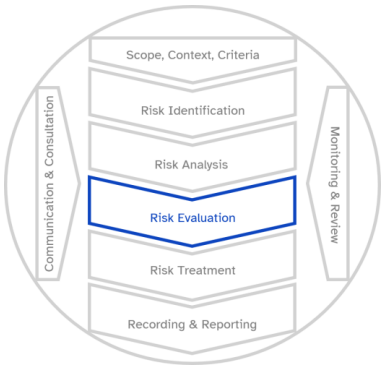
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Risk Evaluation

Risk evaluation enables the organisation to determine whether a risk is acceptable by assessing it against its risk appetite and tolerance levels, and by determining whether existing controls are adequate and effective.

Risk evaluation establishes the significance of a risk by comparing its relative importance against other risks, helping the organisation prioritise risks that require management attention ensuring resources and effort are allocated appropriately to address its most significant threats.



Risks are prioritised by threat level and impact on objectives:

Rating	Summary of ERM Requirements	
Critical	Risk Appetite	Unacceptable and must be resolved. CEO owns the risk.
	Escalation	Risk owner to escalate to ELT immediately.
	Monitoring	ELT to report to Council (ARIC) monthly until resolved.
	Treatment	Controls must be assessed. Plans must be monitored by Council (ARIC).
High	Risk Appetite	ELT consensus required. Appropriate director owns the risk.
	Escalation	Risk owner to escalate to ELT immediately.
	Monitoring	ELT to report to Council (ARIC) quarterly until resolved.
	Treatment	Controls must be assessed. Plans must be monitored by ELT.
Medium	Risk Appetite	Out of tolerance risks must be approved by management.
	Escalation	Risk owner to escalate out of tolerance risks to management.
	Monitoring	At a minimum, out of tolerance risks are reported annually to the ARIC.
	Treatment	The appropriate treatment is determined by the risk owner.

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Evaluation Outcomes

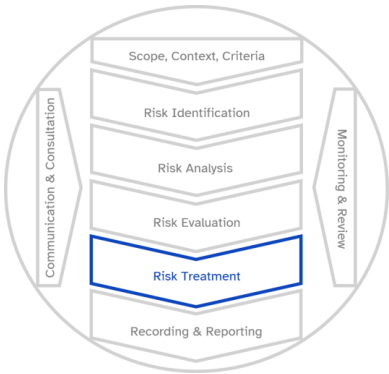
Once a risk has been evaluated, the risk owner makes an informed decision to do one of the following:

Action	Description
Accept	The risk is assessed against appetite and tolerance and accepted by the risk owner.
Avoid	A decision is made not to pursue the strategy or carry on with the activity.
Treat	Reduce the consequence, likelihood, or both by strengthening or developing controls.
Transfer	Reduce the financial impacts of insurable risk through insurance or contracts.
Exploit	ELT to pursue potential opportunities or benefits of the risk.

Risk Treatment

Risk treatment applies to risks that require further attention following the risk evaluation process and involves selecting and implementing appropriate actions or controls to modify the risk to reduce its likelihood, its consequence, or both, to achieve an acceptable level of exposure.

Treatment decisions are based on the most appropriate response option, taking into consideration potential impacts, availability of resources, cost-benefit considerations, and the organisation's risk appetite, enabling the organisation to manage risks proactively



Controls are generally developed to target one of the below objectives:

Objective	Description	Examples
Preventative	Designed to reduce the likelihood of an event.	Policy, training
Detective	Designed to identify failure in current controls.	Audits, investigations
Corrective	Designed to reduce the consequence of a risk event.	Crisis management

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Risk Action Plans (RAP)

Risks which are complex or require significant time and resourcing to treat may require formal plans which detail the objectives and requirements to improve the control environment. Action Plan templates can be found in the appendix.

Guidance

When reviewing risk treatments and controls:

Description	
1	Acceptable risks are no less important than unacceptable risks and still require monitoring.
2	The lack of risks materialising does not automatically mean current controls are effective.
3	The lack of risks materialising is often just a consequence of good fortune.
4	Controls that create administrative work without influencing decisions should be avoided.
5	Remember to account for exceptions where exceeding risk appetite or tolerance is acceptable.

Risk owners are generally responsible for determining the most appropriate control application.

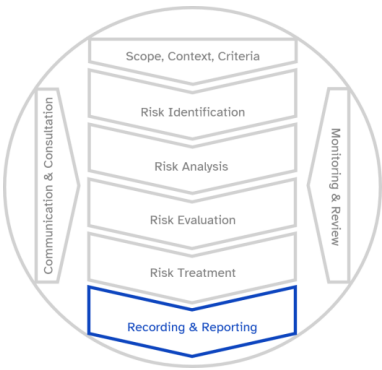
Recording & Reporting

The recording and reporting of risk is an important risk governance function, which:

- Supports sound, risk-informed decisions.
- Improves the understanding of risk.
- Provides transparency within the risk governance process.
- Demonstrates to the third line enterprise risk is being addressed consistently.

Reporting Process

The reporting process is outlined in the risk reporting guidelines on page 11.



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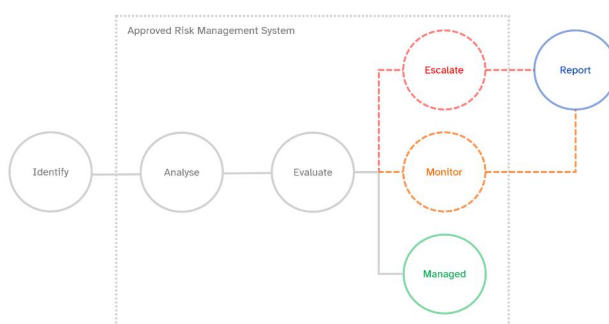
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Escalation

Escalating risk is a business resilience process which ensures those responsible for managing the risk are informed quickly and given the best opportunity to respond, to mitigate from escalating into crisis:

Process	Description
Risk Evaluation	The risk exceeds risk appetite or tolerance or is rated High or Extreme.
Risk Treatment	Treatment for a High risk is ineffective, overdue, under resourced, or postponed.
Monitor & Review	Risk deterioration could have significant reputational or financial impacts.
Business Resilience	An incident may escalate into a crisis or emergency.



Overview of the relationship between the escalation and reporting processes

Risks upgraded to high or critical following reassessment, or which carry the following consequences must be escalated immediately:

Consequence Trigger	Description	Recipient
Immediate threat to safety	Workforce or public safety risk exposure.	CEO
Significant disruption	Essential services or functions are threatened.	CEO
Impacts to a major project	The viability or completion of a project is at risk.	Project Board
Significant reputational harm	An incident may cause significant brand damage.	CEO
Control environment failure	Control owners are unable to independently fix.	Director

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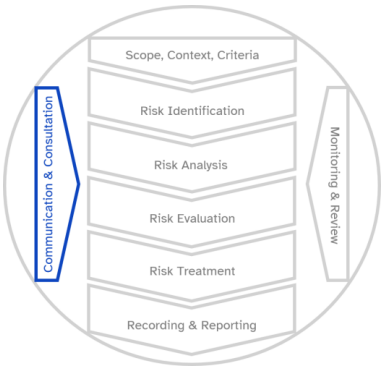
Communication & Consultation

Communication and consultation refer to how risk management engages the relevant parties to ensure those who need to know, or who are affected by the process, are informed.

Communication and consultation processes are not isolated activities but occur throughout risk management.

Effective communication and consultation processes improve the knowledge and understanding of the organisation, support risk-based decision-making, and are critical to achieving organisational risk objectives.

Additional benefits of communication and consultation processes include:



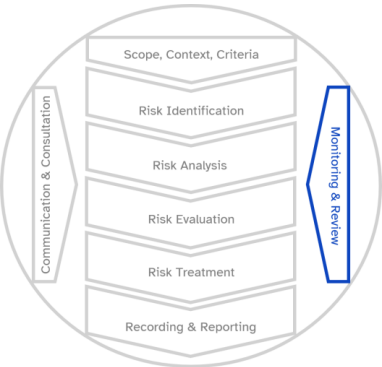
ERM Outcomes	
1	Improves the quality of the risk management process.
2	Enhances the confidence of the organisation in the governance functions.
3	Ensures all relevant information has been obtained to support decisions and actions.
4	Ensures those affected by decisions relating to the risk are engaged or notified.

Monitoring and Review

Risk is dynamic, constantly changing, and must be actively managed. This requires risk management to have planned, periodic monitoring and review checkpoints.

Checkpoints ensure risk information is current and accurate, controls are still effective, the risk environment is stable, and the frameworks managing risk remain adequate.

Council is committed to the continual improvement of enterprise risk management.



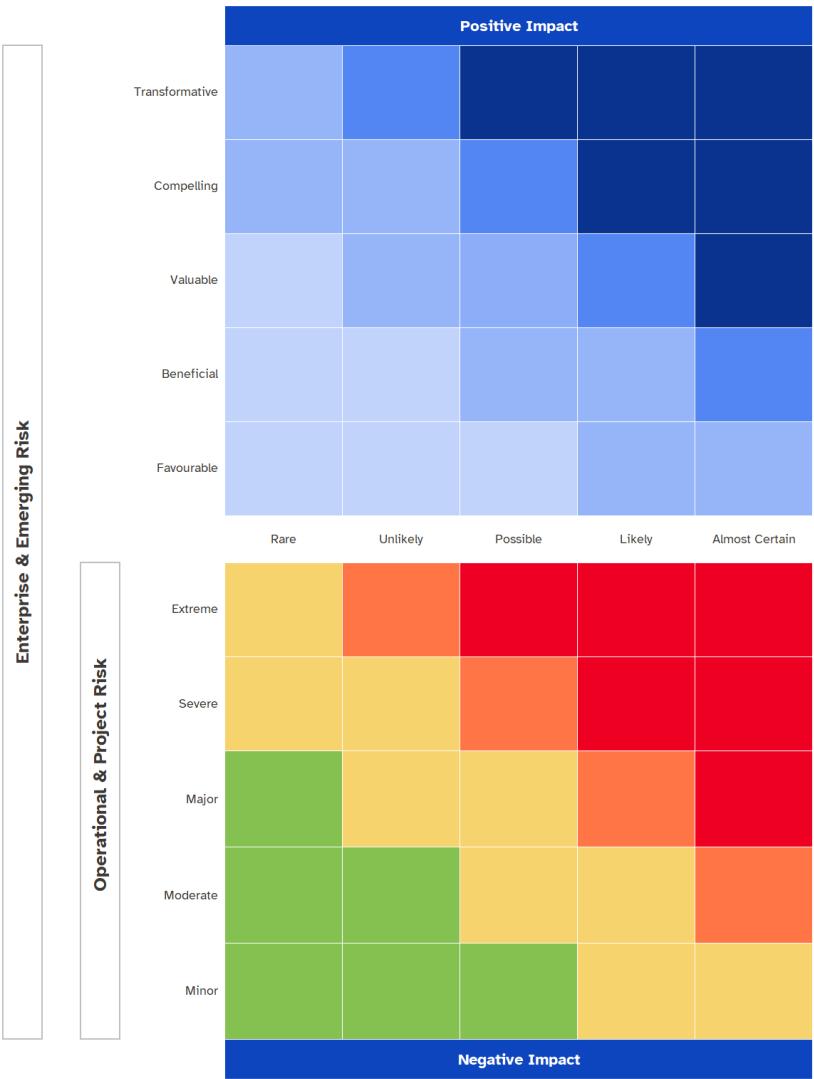
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Assessment Criteria

Heat Maps



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Risk Ratings

Rating	Low	Medium	High	Critical
Description	Threats of limited consequence	Threats of non-critical consequence	Threats of potentially significant consequence	Threats of significant, long-term consequence
Influence	Negligible influence over organisational decisions	Should influence Officer decision-making	Will influence service area decision-making	Will influence strategy setting and resourcing
Escalation	No action	No action unless the risk profile changes	Must be escalated to the relevant Director	Must be escalated to ELT immediately
Response	Monitored by risk owner	Managed by risk owner report to ELT as required	Monitored by ELT and reported to the Council (ARIC)	Managed by ELT and overseen by the Council (ARIC)

Opportunity Ratings

Rating	Limited	Reasonable	Substantial	Extensive
Description	Expected to provide only minimal organisational or community benefits	Expected to deliver service improvements or community benefits	Expected to improve organisational capability and/or enhance services	Expected to deliver significant long-term economic or social value
Influence	Limited influence over trade-offs and decisions	Some influence without compromising finances	Should influence without compromising safety	Must influence and test risk tolerances
Response	May be considered at the discretion of ELT	May be assessed at the discretion of ELT	May be pursued at the discretion of ELT	May be exploited at the discretion of ELT

Control Ratings

Rating	Description	Medium	High	Critical
Adequate	The control environment is providing reasonable assurance.	Controls tested as required	Controls must be monitored and tested annually	
Inadequate	The control environment currently fails to provide reasonable assurance and needs improvement	Controls must be improved as soon as practicable		Must be improved as a priority.
*To be determined	The control environment requires testing and has not yet been assigned a control rating.	Controls must be tested within 90 days.		Controls must be tested within 30 days.

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Likelihood Ratings

Rating	Rare	Unlikely	Possible	Likely	Almost Certain
Description	Not expected in any current/known circumstance	Expected in select current/known circumstances	Expected in some current/known circumstances	Expected in many current/known circumstances	Expected in most current/known circumstances
Annual Return Period	Has not occurred in >10 years	At least once in 5-10 years	At least once in 2-5 years	At least once per year	Multiple times per year
Qualitative Frequency	Has not occurred before or expected to occur in future	Has not occurred recently but may occur in the future	Has occurred, and could occur again	Has occurred, and is likely to occur again	Has occurred recently and will likely occur again
Project Duration	< 0.01% expected during the project	< 0.1% expected during the project	<1% expected during the project	<10% expected during the project	>10% expected during the project

Velocity Ratings

Rating	Gradual	Rapid	Immediate
Description	The impacts of a risk event are expected to emerge slowly	The impacts of a risk event are expected to be felt quickly	The impacts of a risk event are expected to be felt instantly
Indication	Can often detect and monitor	Detection is sometimes possible	Impact with little to no warning
Timeframe	Months to Years	Day to Weeks	Minutes to Hours
Response Window	Reasonable response window Able to intervene	Narrow response window Limited time to intervene	No response window Unable to intervene

Duration Ratings

Rating	Temporary	Persistent	Enduring
Description	The impacts are expected to persist for a limited time	The impacts could remain over the near term	The impacts could be felt over an extended period
Risk Behaviour	One-off	Recurring or periodic	Systemic
Timeframe	<3 months	< 24 months	> 24 months
Approach	Targeted controls	Risk Treatments & Action Plans	Developed control environment

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Consequence Categories

	Minor	Moderate	Major	Severe	Extreme
Safety & Wellbeing	Minor treatment, first aid.	Minor medical treatment.	Repeat treatments.	Permanent injury.	Death, multiple permanent injuries. Service user experiences severe systemic abuse resulting in life-altering injury
	Minor concern for a service user which can be resolved swiftly with little ongoing resources	Service user temporarily distressed or experiences minor short-term health impacts	Service user experiences harm or abuse which results in injury and ongoing health impacts	Service user experiences serious abuse or neglect resulting in long-term injury	
	No lost time, incident may expedite inspection, no impact to service user	No lost time, incident triggers inspection, service users may require further support	RWI <10 days, incident triggers review, service user may require intervention	RWI >10 days, temporary site closure, significant health impacts on service user	Investigation, site closure, suicide watch, state public health emergency response
Financial Loss	<\$50,000	<\$250,000	<\$1,000,000	<\$5,000,000	>\$5,000,000
	Financial variance requiring review by Responsible Officer	Budget impact requiring Responsible Officer to report and explain to ELT	Material financial loss triggering ELT to review, assist, and potentially manage	Significant financial loss requiring ARIC reporting and monitoring until resolved	Financial sustainability at risk requiring significant operational adaption
	Cosmetic damage to an asset with little financial impact or reduction in asset life.	Minor damage requiring replacement or repair with some reduction in asset life	Substantial damage impacting asset life and requiring capital expenditure.	Extensive infrastructure damage or failure requiring significant, unplanned capex	Catastrophic loss of critical infrastructure with substantial, ongoing financial impacts
Operations	Small workforce impact affects individual staff only with no reduction in workforce capability, capacity, or engagement.	Workforce impact results in disruption to operations including temporary reduction in workforce capability and engagement	Workforce impact affects morale, reduce capability and cause loss of critical skills requiring management intervention	Significant workforce disruption affects key services, reduces workforce capability, and causes loss of specialised knowledge.	Widespread, prolonged workforce impacts threaten sustainability, long-term viability, and cause critical capability shortages
	Isolated process inefficiency or error with negligible impacts on process or function	Process failure causing duplication or minor delay without affecting outcomes	Process failure result in errors, impacts productivity, and causes service delay	Major process failure impacts multiple service areas, budgets, and customers	Collapse or prolonged failure of an essential process causing organisational disruption
Reputation	Limited impact to public confidence	Temporary reduction in public confidence	Noticeable reduction in public confidence	Prolonged loss of public confidence	Complete loss of social license to operate
	Minor complaint or dissatisfaction with low visibility and resolved quickly	Public concern or grievance, low level media requiring a considered response	Public criticism attracting adverse local media requiring a careful response	Public anger, political scrutiny, adverse media, crisis communications triggered	Public or political condemnation, sustained hostile media, industry intervention required
	Limited awareness by governing bodies or commercial partners resolved through routine communication channels	Isolated concern from elected members, government agencies, or community groups requiring considered response	Regulator, governing body, or strategic partner enquiry requiring proactive stakeholder engagement to repair	Key stakeholder scrutiny, deterioration in cooperation, loss of strategic opportunity triggers crisis communications	Regulator condemnation, withdrawal of key commercial stakeholders, market failure triggers regulator intervention

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	Minor	Moderate	Major	Severe	Extreme
Legal & Compliance	Minor policy or procedure breach results in review or minor corrective action with no regulatory or Council action	Isolated breach of legislation, regulation, or policy may trigger internal enquiry or warning with minor corrective action	Legislative, regulatory, or policy breach may trigger regulatory investigation, formal notice, or Officer stood down Breach of contract may trigger regulatory action, civil claim, or legal penalty	Significant breach may result in termination, prosecution, enforceable undertaking (EU), or significant financial penalty Legal liability may result in prosecution, litigation, or significant financial penalties	Lawful negligence, or serious or systemic regulatory or contract breach resulting in litigation, regulator or police intervention. Major litigation, criminal proceedings, severe financial and operational damage
	Negligible legal issue or contract breach resolved without legal intervention	Contract breach may require legal advice and trigger minor regulatory enforcement			
Service Disruption	Loss of IT-reliant ESF MTPD < 12 hrs	Loss of IT-reliant ESF MTPD < 24 hrs	Loss of IT-reliant ESF MTPD < 48 hrs	Loss of IT-reliant ESF MTPD > 48 hr	Loss of IT-reliant ESF MTPD > 7 Days
	Isolated asset or equipment failure with limited impact to service delivery	Minor asset or equipment failure causing short-term impacts on services	Substantial asset failure which noticeably impacts service delivery outcomes	Extensive asset failure causing prolonged impact to service delivery outcomes	Complete loss of critical infrastructure and permanent loss of service capability
	Customer expectations still met, service standards maintained with only isolated, temporary impacts to service accessibility	Some temporary inconveniences to customers, some reduction to service quality which affects access to some users	Difficulty meeting customer expectations, visible decline in customer experience affecting many services and users	Unable to meet customer expectations, a significant, sustained reduction in service standards and accessibility for most users	Failure to meet service commitments with significant, widespread, and sustained customer service and accessibility failures
Social Impact	Temporary inconvenience with no lasting impacts on community wellbeing, access, inclusion, or cohesion	Short-term inconvenience with minor impact on community wellbeing, access restriction, or social separation	Visible impacts on community wellbeing, vulnerable groups, and social cohesion, some visible emerging social tensions	Prolonged impacts to most communities, increased social disadvantage, community conflict, and social division Significant reduction in social cohesion	Widespread social harm and significant displacement, social division, exclusion, and community conflict Widespread deterioration in social fabric
	No reduction in social participation	Some temporary participation reduction	Obvious decline in social participation		
Environment	Reversible ecosystem damage (<1yr) with no long-term impacts	Reversible ecosystem damage (<2yrs) with some short-term impacts	Reversible ecosystem damage (<5yrs) with some long-term impacts	Reversible ecosystem damage (<10yrs) with significant long-term impacts	Permanent loss of an ecosystem with catastrophic long-term impacts
	Cultural heritage assets or values are not expected to be impacted	Cultural heritage assets or values are infringed with no lasting effect	Cultural heritage assets or values are damaged with lasting effects	Cultural heritage assets or values critically damaged and/or violated	Irreversible loss of cultural heritage asset values, or identity
	Decision or action conflicts with a sustainability target	Decision or action may conflict with multiple sustainability targets	Decision or action conflicts with the sustainability strategy	Decision or action breaches sustainability strategies	Decision or action completely disregards all sustainability concepts

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Appendix A – Master Glossary of Abbreviations

Term	Description
ARIC	Audit, Risk & Improvement Committee
ToR	Terms of Reference
BCP	Business Continuity Plans
BIA	Business Impact Analysis
BRS	Business Resilience Strategies
CoI	Conflict of Interest
CCC	Corruption and Crime Commission
CMP	Crisis Management Plan
CMT	Crisis Management Team
CMTL	Crisis Management Team Leader
DRP	Disaster Recovery Plan
EM	Elected Member
EU	Enforceable Undertaking
ERM	Enterprise Risk Management
ESF	Essential Services and Functions
ELT	Executive Leadership Team
HMA	Hazard Management Agency
IPRF	Integrated Planning & Reporting Framework
ICP	Integrity Control Plan
ICS	Integrity Control System
LEMA	Local Emergency Management Arrangements

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Term	Description
LEMC	Local Emergency Management Committee
MLT	Management Leadership Team
MTPD	Maximum Tolerable Period of Disruption
OAG	Office of the Auditor General
PPRR	Prevention, Preparedness, Response, and Recovery.
PMF	Project Management Framework
PID	Public Interest Disclosure
PSC	Public Sector Commission
RAP	Risk Action Plan
RAS	Risk Appetite Statements
RE	Reportable Event
RO	Responsible Officer

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Appendix B – Master Glossary of Terms

Term	Description
Activation	The process where the CMT is put into effect by the CMT Leader
Audit, Risk & Improvement Committee (ARIC)	Independent Committee of Council providing independent oversight and advice on matters of governance, risk management, financial sustainability, and continuous improvement.
ARIC Terms of Reference (ToR)	Outlines how the Audit, Risk & Improvement Committee supports Council in fulfilling its risk and governance oversight responsibilities.
Business Continuity	The overall capability to continue delivering services within acceptable timeframes at a predefined capacity during and following disruption
Business Continuity Plans (BCP)	Location-based, business resilience strategy document assisting a return to normal operations following risk events caused by change, shock, and crisis.
Business Impact Analysis (BIA)	A process which identifies and assesses essential services and functions, interdependencies, resources, resource failure risk, and the controls and procedures needed to mitigate
Business Resilience	The preparedness level to deal with uncertainty and absorb, respond to, navigate, and recover from, disruption caused by change, shock, and crisis.
Business Resilience Strategies (BRS)	ERM master document containing the planning, response and recovery strategies developed to navigate high-impact, low-probability events.
Cause	The multiple factors, either direct or indirect, which may give rise to a risk or risk event.
Conflict of Interest	When a person's personal interests could improperly influence, or appear to influence, the performance of their public duties
Consequence	The (direct or indirect) impacts or outcomes of a risk event occurring
Consequence category	Prominent areas of the organisation which, if affected by a risk event, could significantly impact the organisation or its ability to achieve an objective
Consequence Rating	The level of impact from the risk occurring in a given consequence category.
Control	The means to reducing the likelihood and/or consequences of a risk. A risk often has multiple controls, and a single control may address multiple risks.
Control Rating	A qualitative measure of the adequacy of a control. Controls are rated either adequate or inadequate once tested or rated as unknown until tested.

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Term	Description
Corruption	The abuse of power for material gain.
Corruption and Crime Commission (CCC)	Independent integrity agency established through the Corruption, Crime and Misconduct Act 2003 to investigate matters of serious misconduct and corruption by public officers.
Conflict of Interest	When a person's personal interests could improperly influence, or appear to influence, the performance of their public duties.
Codes of Conduct	Refers to both the Code for Employees and the Code for Elected Members, Committee Members and Candidates.
Criminal Activity	An act or omission that constitutes an offence.
Crisis	A situation of extreme uncertainty caused by sudden or significant events which threaten people, assets, or reputation, which requires an immediate, coordinated response, and can escalate from a failure to manage disruption.
Crisis Management	An immediate response to an event focussing on protecting reputation. Crisis management plans respond to unexpected or uncontrollable events.
Crisis Management Plan (CMP)	Operational document outlining the strategies and processes to respond to, and manage, crisis.
Crisis Management Team (CMT)	A task orientated team led by the CEO (CMT Leader) to manage and support crisis response and recovery efforts.
CMT Leader (CMTL)	Responsible for preparing, leading, and managing crisis response strategies, activating and standing down the CMT, and the effective communication to Council, elected Members, and the workforce.
Critical Operational Facility	Infrastructure assets critical to the ongoing performance and delivery of essential services and functions. (<i>Walyalup Civic Centre & Depot</i>).
Delegate	Capable and suitably trained alternate staff members who assume CMT roles when the responsible person (primary member) is unable or unavailable.
Dependency	Relationship with or reliance upon another party essential to delivering outcomes or services. Dependencies can be both internal or external.
Detection (ICP)	The systems and control measures in place designed to alert the organisation when fraud or corrupt behaviour has or is occurring
Directorate	A collection of business units headed by a director.
Disaster Recovery Plan (DRP)	An IT-centric strategy outlining how the organisation will respond to, and recover from, a disaster targeting its ICT infrastructure

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Term	Description
Disruption	An event (or series of events) which impacts the ability to deliver strategies of essential services and functions (ESF). There are three levels of disruption.
Disruption (Limited)	A situation where the impact on service delivery appears temporary, the outlook is generally known, and the situation is expected to be managed through normal operating processes.
Disruption (Significant)	A situation where the impact on operations or ability to deliver essential services has, or is expected to be, significant. Causes may not immediately be known, and the immediate outlook and severity is troublesome or unclear.
Disruption (Crisis)	A situation where normal operating conditions are now altered, the situation may not be controlled, and the long-term outlook is extremely uncertain. There is a threat to people, assets, or operating model which may require an immediate, coordinated response from the LEMC.
Elected Member (EM)	Person elected to Council through the local government election responsible for governing the local area
Emerging Risks	New, evolving, or increasingly significant events not yet understood which could materially impact strategies and objectives
Emergency Management	An immediate response to an event, focussing on people safety.
Emergency Management Plans	Plans which respond to predictable and controllable events, centred around impact (consequence) management. See <i>LEMA</i>
Enforceable Undertaking (EU)	A voluntary but legally binding written agreement with a regulatory body caused by an alleged breach of the law.
Enterprise Risks	Risks caused by events or decisions which impact the ability of Council to achieve IPRF objectives and long-term strategies
Enterprise Risk Management (ERM)	A holistic approach to risk management where all business units follow the same framework.
Enterprise Risk Management (ERM) Framework	Framework document outlining the risk principles, concepts and responsibilities established to meet the objectives set by Council in the Enterprise Risk Management Policy. [This Document]
Enterprise Risk Management (ERM) Policy	Council policy which addresses and outlines Council's commitment to enterprise risk management.
Escalation	The process of reporting a risk or threat to a higher authority to ensure those responsible for managing the risk are informed quickly enabling a response

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Term	Description
Essential Services and Functions (ESF)	Core activities essential to the ability to continue operating, where ongoing disruption could have significant financial, safety, and reputational impacts.
Executive Leadership Team (ELT)	The collective team consisting of all employed Directors responsible for the operational performance of the organisation.
Fraud	Dishonest activity causing actual or potential gain or loss to a person or entity.
Hazard Management Agency (HMA)	The public authority prescribed under the <i>Emergency Management Act 2005</i> responsible for the prevention, preparedness, response, and recovery for a specific, defined hazard.
Integrated Planning & Reporting Framework (IPRF)	The collection of strategies and planning documents ensuring community priorities and strategic planning is integrated.
Integrity Control Plan (ICP)	Document outlining the coordinated approach to prevent, detect, and respond to organisational misconduct
Integrity Control System (ICS)	The collection of policies, frameworks, processes and activities which coordinate the planning, prevention, detection, and response activities
Likelihood ratings	Assigned assessment rating measuring the estimated probability of a risk event materialising.
Local Emergency Management Arrangements (LEMA)	A framework document outlining the emergency management arrangements between local stakeholders and emergency response agencies to ensure a common understanding.
Local Emergency Management Committee (LEMC)	Formed under the Emergency Management Act 2005 to provide a coordinated, community-focused approach to local emergency management practices.
Level 1 Emergency	A minor, local incident which can be managed by a single agency with limited community impact
Level 2 Emergency	A serious incident requiring a multi-agency response impacting the community, such as a small plane crash or significant oil spill
Level 3 Emergency	A catastrophic incident requiring State and Federal government support, such as a terrorist attack or large passenger vehicle crash (plane / train)
Management Leadership Team (MLT)	All managers, responsible for assisting in the management of the operational performance of Council on behalf of the ELT.

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Term	Description
Maximum Tolerable Period of Disruption (MTPD)	The maximum amount of time a service or function can be unavailable before the impact becomes irreversible or unacceptable and would reasonably be expected to cause significant safety, financial, or reputational harm.
Material Risk	Any risk which could severely impact us regardless of category.
Misappropriation	The unauthorised or dishonest use of funds, property, or other assets entrusted in a person care
Misconduct	Abuse of authority or an act contrary to the public interest by a public officer for personal gain.
Misconduct (Minor)	When a public officer engages in conduct that adversely affects the honest or impartial performance of the functions of a public authority or public officer or performs their functions in a manner that is not honest or impartial.
Misconduct (Serious)	When a Public Officer fails to act in the course of their duties; corruptly takes advantage of their position for the benefit or detriment of any person.
Normal operating environment	The stable and expected conditions systems, processes, and operating inputs (staff /infrastructure) are designed to function in.
Office of the Auditor General (OAG)	Responsible for auditing the finances and activities of State and local government entities.
Operating Environment (Internal)	The cultures, governance structures, leadership styles, values and norms, systems and processes which influence organisational decisions and risk management attitudes.
Operating Environment (External)	The political, economic, social, technological, legal, and environmental factors (PESTLE) which influence and impact the organisation.
Operational Risks	Failures in process, people, or systems disrupting workflows and performance.
Opportunity management	Strategic application which focuses on the benefits and potential upside of enterprise and emerging risks identified during the assessment process
Opportunity	Event, situation, or circumstance which provides a benefit or creates value.
PPRR Model	An emergency management framework based on the four principles Prevention, Preparedness, Response, and Recovery.
Preparedness (PPRR)	The deliberate approach to ensure the organisation is as prepared for disruption as is reasonably possible

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Term	Description
Prevention (ICP)	The systems and control measures designed to reduce the likelihood of fraudulent and corrupt behaviour occurring
Prevention (PPRR)	The strategies developed to prevent crisis and extreme uncertainty
Principles	The characteristics of effective risk management outlined in the risk management standard designed to guide organisational risk management.
Project	A temporary endeavour with a definite beginning and end.
Project Management Framework (PMF)	Framework to ensure a consistent approach to projects to optimise delivery and minimise the risks associated with project work
Project risks	Risks connected to, created by, or which could directly impact, projects.
Public Authority	A government body or agency, or any entity established to perform public functions or serve the public interest
Public Interest Disclosure (PID)	A report identifying (possible) misconduct by a public authority or public officer, defined in the PID Act.
Public Interest Disclosure (PID) Officers	Persons authorised to receive and manage public interest disclosures.
Public Interest Information	Information that tends to show a public officer has or proposes to be involved in improper conduct.
Public Officer	Anyone using public resources to carry out a public function under a written law (PSC definition).
Public Sector Commission (PSC)	Established through the <i>Public Sector Management Act 1994</i> to strengthen the capability of the public sector. Investigates minor misconduct matters.
Recovery document	The collective term for all disruption-related operational recovery and resumption documents.
Reportable Event (RE)	A disruption event which requires reporting to ELT and ARIC.
Response (ICP)	The systems and processes in place once fraud or corruption has been detected or suspected of occurring
Recovery (PPRR)	The recovery strategies, systems, process and measures designed to preserve life and assets, data and IT infrastructure
Response (PPRR)	The strategies developed to ensure the response to disruption will be swift and appropriate

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Term	Description
Responsible Officer (RO)	Person or persons assigned to manage a risk, monitor or assess controls, or assist implementing risk action plans, at the discretion of the risk owner.
Resilience	The overall preparedness level to deal with uncertainty and absorb, respond to, navigate, and recover from disruption caused by change, shock, and crisis.
Risk	The effect of uncertainty on objectives. An effect can be positive, negative, or both.
Risk Action Plan (RAP)	Plans to treat the risks, implement further controls, improve current controls, or undertake other actions, to reduce or mitigate risk, to ensure ownership.
Risk Appetite	The amount and type of risk Council is willing to accept or retain.
Risk Appetite Statements (RAS)	The collection of risk appetite statements informing organisational decisions
Risk Assessment	The process of identifying, analysing and evaluating risk.
Risk Analysis	A process to understand the nature of the risk and determine level of risk (risk rating).
Risk Categories	The method of separating risk by a unique set of characteristics to better understand and manage risk.
Risk Criteria	The established set of references which the significance of a risk is evaluated against, influenced by organisational strategies, objectives and context.
Risk Evaluation	A process which assesses the Risk Analysis results (Risk Rating) to determine if a risk is acceptable and assists in the risk treatment process.
Risk Identification	Initial activity to detect, describe and capture risk.
Risk Impact Category	Key risk areas where risk tolerance is applied to describe a range of potential consequences.
Risk Management	The practice of systematically identifying, understanding, and managing risk.
Risk Management Principles	The characteristics of effective risk management established in the risk management standard which guide organisational risk management.
Risk Management Standard	AS /ISO 31000:2018 – Risk Management – Guidelines
Risk Owner	The person assigned to manage the risk and monitor, controls and any treatments to be implemented.

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Term	Description
Risk Profile	A group of risks that relate to a specific business unit, directorate, project, or the entire organisation.
Risk Rating	The value assigned to the risk represented by its consequence and likelihood which enables the risk owner to determine if any further controls are required.
Risk Register	Central risk information repositories located in the risk system where related risks are recorded, analysed, evaluated, monitored, and reviewed.
Risk System	Approved system where risk is captured, managed, escalated and reported.
Risk Tolerance	The level of risk per individual risk the organisation is willing to accept.
Risk Treatment	A measure designed and implemented to further reduce the consequences and/or likelihood of a risk. Becomes a control once implemented.
Service Area	Teams within directorates tasked with delivering strategies outlined within their respective service area plans, headed by managers.
Standby	A directive given by the CMT Leader to ready the CMT when a situation is unknown or may escalate quickly.
Stand down	A directive given by the by the CMT Leader to deescalate the CMT when a situation becomes known or controlled
Values	The four guiding principles and beliefs of <i>integrity, inclusiveness, collaboration, and making a difference</i> that drive culture and behaviour.

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Appendix C – Risk Category Examples

Enterprise Risks

Enterprise risks impact the entire organisation and arise from significant external events, regulatory changes, changes in economic conditions, and Council decisions, and can impact strategies and objectives, public resources, financial resilience, and Council reputation.

Enterprise Risks	Examples
Asset Management	Flawed asset valuation, maintenance or asset lifecycle processes Inefficient use of public assets, poor capital generation and ROI
Capital Works	Failure to attract investment or support for major projects Fragmented or misaligned approval and planning processes
Economic	Deteriorating economic or commercial conditions Significant movement in interest rates or labour markets
Environmental Sustainability	Failure to align sustainability objectives to long-term IPRF strategies Setting unrealistic, unattainable, or high-risk sustainability objectives
Financial Sustainability	Poor or inaccurate long-term budgeting or financial forecasting Failure to develop adequate, long-term income channels
Governance	Inappropriate strategy setting, poor decision-making processes Loss of Council or ELT credibility or effectiveness
Legal and Regulatory	Breach of legal, regulatory, or statutory compliance Significant changes to legislation, regulations, or standards
Service Delivery Model	Failure to align service planning with long-term IPRF strategies Monopolist contracting, critical supplier failure and outsourcing risks
Social	Failure to respond to changes in community values, wants and needs Failure to develop or improve digital engagement strategies
Reputation	Loss of trust or negative opinion due to Council action or inaction Loss of credibility with state or federal governments
Transformation	Transformation strategy failure, unclear objectives and goals Restricted or inadequate funding into new or needed technologies

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Emerging Risks

Emerging risks are new or evolving risks which are often not understood or formally identified but may have the capability and potential to significantly impact objectives, often overlooked for long periods of time before impacting an organisation. Emerging risks are generally significant enough to be managed as enterprise risks.

Emerging Risks	Examples
Climate change	Impacts to assets and services due to increasing extreme weather Regulatory or financial impacts of stricter emission reduction targets
Cyber Security and Information Technology	Failure to manage or respond to new or evolved cyber security threats Council impacts caused by deepfake fraud and synthetic media risks
Financial	Rapid increases in project input costs due to inflationary pressures Disruption to traditional revenue models due to loss of grants or funding
Governance	Increasing powers of auditors Changing statutory, compliance or reporting requirements
Information Management	Increasing compliance requirements of data privacy regulations Increasing penalties for data breaches of personal information
Innovation	Outdated or unsupported systems due to increased innovation cycles Liability and social impacts caused by drones and automatic vehicles
Procurement and Contracts	Loss of contractor availability in unviable or failed markets Supply chain disruption caused by macro events and political climates
Public Health	Future pandemics Long-term health impacts on workforces and community services
Social	Decline in institutional trust and public service providers Governance failures caused by complex consultation processes
Technology	Biased or corrupt decisions due to uncontrolled AI applications Digital systems and tools adopted without Council control or oversight
Workforce	Loss of required future skills due to changes in education targets Loss or redesign of traditional roles due to automation displacement

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Operational Risks

Operational risks arise from a failure in internal processes, people, or systems, disrupting workflows and organisational performance, creating avoidable outcomes and inefficient or failed processes, and can escalate to enterprise risks if left unmanaged or look to impact essential services and functions.

Operational Risks	Examples
Business Resilience	Inadequate or inappropriate business continuity planning Failure to identify and manage essential services and functions (ESF)
Community Engagement	Poor consultation processes or customer service standards Inadequate complaints management processes
Cyber Security and Information Technology	Cyber security or access control failure, data privacy breach Unclear, unsuitable, or inappropriate IT roadmap planning
Financial Controls	Gaps in authorisation or separation of duties controls Unmanaged revenue collection and debt recovery processes
Information Management	Poor record retention and destruction processes Freedom of information compliance or process failure
Integrity	Fraud, corruption and misconduct control failure Failure to manage conflict of interest or disclose gifts and benefits
Procurement and Contracts	Process compliance breaches or probity failures Poor contract administration or variation approval processes
Supplier	Poor supplier performance management, quality control failures Outdated supplier master file, fraudulent supplier payments
Workforce	Skills shortages, poor workforce planning, recruitment failure Poor accountability culture, unclear workflow responsibilities
Workforce capability	Inadequate training and development processes Failure to retain workforce knowledge, spreadsheet dependency
Workplace Health & Safety	Inadequate safety controls and incident management processes Poor workplace health and safety cultures

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Project Risks

Project risks relate to risks found across the phases of the procurement lifecycle which can cause delay, increase costs, impact quality, and cause other project outcomes. Failure to deliver a major project can result in significant financial and reputational consequences and may impact future Council strategies.

Project Risks	Examples
Capability	Council skill shortages and key person dependencies Conflicting or changing Council or operational priorities
Cost	Planning failures, inaccurate cost estimates, and funding shortfalls Cost overruns and increases to key inputs
Contractor	Poor contractor performance management Unscheduled variations and invoicing, insolvency and financial health risks
Environmental	Impacts of decisions and actions on natural and heritage environments Breach of sustainability targets and objectives
Governance	Governance failure, unclear project board responsibilities Poor sponsor engagement, unclear decision-making processes
Integrity	Fraud, corruption, misconduct, and conflicts of interest. Recordkeeping, transparency and auditability requirements,
Legal	Regulatory non-compliance, breach of legislation, Contract disputes, legal outcomes, poor or unclear language and specifications
Market	Market disruption and deteriorating trading conditions Supply chain risk
Safety	Unsafe work practices, activities, and a lack of safety provisions Public safety risk and exposure to unsafe contractor performance
Scheduling	Unrealistic timeframes, failure to identify impacts Planning approval processes and planning delays
Scope	Scope creep and poorly defined scope Uncontrolled or unauthorised changes
Quality	Design errors and poor specifications Inferior, inappropriate, or unsuitable materials or solutions
Reputation	Reputational damage from . Reputational damage from perceived unfair or unethical procurement practices.

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Appendix D – Essential Services & Functions

Essential services and functions (ESF) are activities deemed essential to continue operating, where ongoing disruption would be expected to have significant health, financial, or reputational impacts.

Services

Service	Essential
Call centre support	• Receive, triage and respond to customer enquiries and service requests. • Escalate urgent or critical requests to the responsible operational teams.
Community safety	• Respond to community safety, compliance and public-space incidents. • Maintain priority regulatory, patrol and incident-response functions.
Waste Management	• Maintain collection of general waste and other priority waste activities. • Respond to missed collections, service disruptions and waste-related hazards.
Environmental Health	• Respond to urgent public and environmental health risks and complaints. • Undertake essential regulatory inspections, investigations and statutory actions.

Functions

Function	Essential
Human Resources	• Maintain essential workforce administration, employment and payroll support. • Coordinate workforce availability, redeployment and employment requirements
Key Staff Support	• Provide guidance, welfare support, and essential workplace information. • Coordinate staff assistance and support arrangements during disruption or crisis.
Communications Support	• Issue timely internal communications to the workforce and decision-makers. • Provide communications to the public, stakeholders, and media
Accounts	• Process critical payments to suppliers and other essential financial obligations. • Maintain essential accounts payable/receivable processing and reconciliation
IT System Support	• Maintain and restore critical business applications, platforms and user access. • Respond to ICT incidents and provide technical support for essential services
Data Network Support	• Maintain availability of network, internet and telecommunications infrastructure. • Diagnose and restore network connectivity and data services

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Document Control

Enterprise Risk Management Framework 2026-28			
Responsible Officer	Risk and Governance Officer		
Document Reviewer	Manager Governance		
Document Authoriser	Chief Executive Officer		
Document Adoption Date			
Last Updated	04 /08 /2026	By	Risk and Governance Officer
Current Version	Version 1 (draft)		
Review Cycle	Annually		
Next Review Date			

Amendment Table

Date	Amendment	Amended By

Council Policy



Budget Management

Objective

The intent of the Budget Management Policy is to provide clear direction in relation to establishment and amendment of the Councils adopted budget.

Relevant Legislation (summarised)

Local Government Act 1995:

Section 6.2 (1)

The Council is required to prepare and adopt, by Absolute Majority, an annual budget for its municipal fund by 31st August each year.

Section 6.8 (1) and (2)

The Council cannot incur expenditure from its municipal fund for a purpose for which no expenditure estimate is included in the annual budget (known as an 'additional purpose') except where the expenditure —

- (a) is incurred in a financial year before the adoption of the annual budget by the local government;
- (b) is authorised in advance by resolution by Absolute Majority; or
- (c) is authorised in advance by the mayor or president in an emergency.

Where expenditure has been incurred;

- (a) under S 6.8 (1)(a) it is required to be included in the annual budget for that financial year; and
- (b) under S 6.8 (1)(c), it is to be reported to the next ordinary meeting of the council

Local Government (Financial Management) Regulations 1996:

Regulation 33A

A formal review of the annual budget is to be presented and adopted by Council, by Absolute Majority, between 1st January and 31st March each year.

Policy

Proposed expenditure for an additional purpose

Excepting in the circumstances stated in S 6.8 (1) (a) and (c), where expenditure for an additional purpose is proposed this will be determined by the Council as required by S 6.8 (1) (b) of the Act. Where possible this will be presented via a report to FPOL Committee but in cases of urgency additional purpose consideration reports may be presented to Council directly without need for Committee consideration.

Where expenditure for an additional purpose is authorised by the Council, the decision will amend the budget by creating a new budget account number to accommodate that proposed expenditure, and by transferring the required funds from one or more existing accounts to the new account.

The standard resolution to achieve this is as follows;

That Council approve the budget variation to the Adopted Budget for 20??/20?? by;

- (a) Creating a new Account No xxxxxx.xxxx (insert account details) with a budget amount of \$XXXXXX*
- (b) Increase / Decrease Account No xxxxxx.xxxx (insert account details) by \$xxxxx (from \$XXXXXX to \$XXXXXX)*

Proposed expenditure for a purpose identified within the budget for which there are insufficient funds allocated.

In addition to any other delegation to incur expenditure already granted to the CEO, and subject to any limitation to that delegation that already exists is legislation or policy, the CEO is delegated authority to incur expenditure for a purpose identified within the budget for which there are insufficient funds allocated, where;

- (a) The proposed expenditure is a maximum of 5% or \$50,000 (whichever is the lesser) above the budgeted amount, and
- (b) There are sufficient funds equivalent to the value proposed to be spent allocated to other budget line items within the overall budget, and which, in the opinion of the CEO, are not expected to be spent during that financial year.

Where the criteria above are not met, the proposed expenditure will be presented to Council for an absolute majority decision as if it were for an additional purpose.

Quarantining of budget accounts

At the time of adoption, amendment or budget review, of the annual budget, the Council, or the CEO at any time, may determine that certain accounts in the budget may be quarantined. This means that a restriction is placed on any expenditure, or expenditure above a certain prescribed amount, from that account without the further of the approval Council or the CEO.

Monthly budget amendment reports, occasional budget amendment reports and annual budget review

Every month a report will be presented to the Council (via FPOL) to adopt make budget amendments to reflect any expenditure above the budget amount agreed by the CEO during the previous month, and to adjust other accounts to accommodate the value of those.

On an as needs basis, occasional budget amendment reports such as those considering an additional purpose, or grant acceptance or release of quarantined funds will be presented to Council (via FPOL unless urgently needed).

As required by the Regulations, the annual budget review will be considered between January and March each year.

The purpose of the annual budget review is to consider amendments to the budget to;

- (a) Review allocations to budget accounts in accordance with revised revenue or expenditure estimates,
- (b) Consider and determine any transfers to or from reserves if necessary,
- (c) Consider new projects that were not anticipated at the time of adopting the budget.

Any determination by the Chief Executive Officer to Quarantine a budget item is to be reported to Council in this monthly report.

Carried Forward Budget

Unspent funds from a budget year will only be carried forward to the new budget year where;

- i. a project is already commenced or committed and works remain incomplete at 30 June; or
- ii. a project or activity has unspent grant funds at 30 June.

Carried forward project estimates will be presented and adopted by Council with the Adopted Budget. A report will be presented to Council (via FPOL) to make budget amendments to carried forward budget to reflect the final position at the end of financial year.

Review information and related documentation

Reviewing officer:	Finance Manager
Policy adopted:	27 June 2018 FPOL1806-11
Policy amended:	
Legislation:	As above
Delegations:	NA
Related documents:	NA
Next review date:	1 June 2020



Council Policy

Budget Management



Budget Management

Policy scope

To remain **liveable, thriving, creative, resilient, and inclusive**, the City of Fremantle (the City) recognises the need for robust planning and sound financial management to meet both present and future needs. This commitment aligns with the requirements of the *Local Government Act 1995*, Section 5.56, which mandates that councils plan for the future and to comply with all relevant regulations.

The City's Strategic Community Plan sets out the long-term vision, aspirations, and priorities for the community. This plan informs the development of the City's Corporate Business Plan, which integrates with a range of strategies to inform the annual budget process.

In accordance with the *Local Government Act 1995*, Part 6, Division 2 – Annual Budget, the City must:

- prepare and adopt, during the period 1 June to 31 August, a budget for the financial year ending the following 30 June (s.6.2(1)).
- prepare a detailed estimate of revenues and expenditure to determine the amount required to be raised from general rates (s.6.2(2))
- not incur municipally funded expenditure outside the adopted annual budget unless:
 - it relates to a prior financial year,
 - it is authorised in advance by absolute majority (s.6.8).
- maintain a balanced budget, with any surplus or deficit limited to no more than 10% of the general rate amount unless Ministerial approval is obtained (s.6.34).

Furthermore, the *Local Government (Financial Management) Regulations 1996* requires that the City review its annual budget annually, between 1 January and the last day of February in each financial year, by assessing the City's financial performance for the period beginning 1 July and ending no earlier than 31 December of that financial year (Reg. 33A).

This Budget Management Policy establishes the framework for managing the annual budget in a manner that ensures legislative compliance, supports operational efficiency and promotes financial sustainability.

Policy statement

This policy provides a clear framework for the formulation, administration, and management of the City's annual budget. It ensures compliance with statutory requirements and alignment with Council's strategic objectives. The policy offers strategic direction to staff and establishes guiding principles to be applied throughout the budget development process.



1. Budget Formulation Principles

- 1.1 The annual budget is guided by the Strategic Community Plan, Corporate Business Plan, Long Term Financial Plan and other adopted strategies. The City also considers community and customer feedback as part of determining budget priorities.
- 1.2 The City's Long Term Financial Plan (LTFP) will guide the parameters for the annual budget and should be updated and adopted by Council annually following the adoption of the annual budget.
- 1.3 All budget submissions are to include detailed phasing in order to facilitate accurate budget variance reporting each month.
- 1.4 All budget submissions must consider sustainability issues, alignment with community priorities and value for money.
- 1.5 In accordance with s.6.32(1)(a) of the *Local Government Act 1995*, the City is to impose a general rate on rateable land within its district in order to make up the budget deficiency.
- 1.6 As per the *Local Government Act 1995* s.6.33, the City will model the General Rates revenue for the year using the Differential Rates Strategy based on appropriate land use/type characteristics.
- 1.7 The City is to review Specified Area Rates annually to ensure sufficient funding is raised to meet anticipated current and future needs.

2. Strategic Reserve Management

Any budget surplus identified at each financial year is to be transferred to an appropriate Reserve consistent with the objective and meeting the target values as outlined in the City's LTFP.

The City maintains reserves for two purposes:

- (a) reserves required by legislation to hold funds for a specific purpose (for example, service charges, specified area rates, and cash-in-lieu of public open space); and
- (b) discretionary reserves established by Council to build the City's financial capacity (for example, investment, asset renewal, and revenue-smoothing reserves).

The current list of reserves, their purposes and their funding strategies is maintained in the City's Reserve Schedule, adopted and varied by Council as part of the annual budget process.



3. Content of Annual Budget and Working Papers

As outlined in the *Local Government (Financial Management) Regulations 1996* Part 3, the City must include the following information in the draft annual budget and working papers:

- Statement of Comprehensive Income
- Statement of Cash Flow
- Statement of Financial Activity
- Rating Information, including discounts, waiver, concession and write offs
- Service Charges Information
- Fees and Charges Information
- Rating Objects and Reasons
- Details of new capital and operating initiatives
- Any amendments to the City's significant accounting policies

4. Elected Member Engagement on Draft Annual Budget

The draft annual budget, including proposed capital and operating initiatives, and rating objects and reasons, should be communicated to Elected Members via annual budget workshops to enable Elected Member feedback and recommendations prior to the draft budget being presented for Council adoption.

5. Mid-Year Budget Review

As outlined in the Policy Scope, the City is bound by Reg. 33A of the *Local Government (Financial Management) Regulations 1996* to carry out a review of its financial performance, addressing budget variations arising during the first half of the financial year (i.e. to 31 December). The review is to be carried out between 1 January and the last day of February and submitted to Council by 31 March of that financial year.

The mid-year review is not to be used to fund new initiatives, except where an initiative is identified by the Executive Leadership Team and Elected Members as essential and either has an identified funding source or is authorised in advance by Council, consistent with s.6.8 of the *Local Government Act 1995*.

6. Expenditure for an Additional Purpose

Except in the circumstances described in s.6.8(1)(a) and (c) of the *Local Government Act 1995* (see Policy Scope), proposed expenditure for an additional purpose is to be determined by Council by absolute majority, consistent with s.6.8(1)(b). Where possible, this will be



presented via a report to the Strategic & General Services Committee; in cases of urgency, additional purpose consideration may be presented to Council directly.

Where expenditure for an additional purpose is authorised, the decision will amend the budget by creating a new budget account to accommodate the proposed expenditure. The additional expenditure may be funded from a budget surplus, an external grant, a reserve (see Strategic Reserve Management), or by transferring the required funds from one or more existing accounts to the new account, consistent with s.6.8 of the *Local Government Act 1995*.

7. CEO Delegated Authority for Insufficient Budget Allocations

In addition to any other expenditure delegation already granted to the CEO, and subject to any limitation on that delegation under legislation or other Council policy, the CEO is delegated authority to incur expenditure for a purpose already identified within the budget where there are insufficient funds allocated – in accordance with the delegated authority register.

8. Quarantining of Budget Accounts

At the time of adoption, amendment or review of the annual budget, Council or the CEO may determine that certain budget accounts are to be quarantined. This places a restriction on expenditure, or expenditure above a prescribed amount, from that account without further approval from Council or the CEO (as applicable).

9. Budget Amendment Reports

On an as-needs basis, budget amendment reports, such as those considering an additional purpose, additional funds, grant acceptance, or the quarantining or release of quarantined funds, will be presented to Council.

10. Carried Forward Budget

Unspent funds from a budget year will only be carried forward to the new budget year where:

- a project has already commenced or been committed, with expenditure incurred or contractual commitments entered into that meet or exceed the material variance threshold adopted by Council for Statement of Financial Activity reporting under Reg. 34(5) of the *Local Government (Financial Management) Regulations 1996*, and works remain incomplete at 30 June; or
- a project or activity has unspent grant funds at 30 June; or
- at the discretion of Council or the CEO (as applicable).



Carried forward project estimates are to be presented and adopted by Council with the annual budget. A subsequent report will be presented to Council to make budget amendments to carried forward budgets, reflecting the final position at the end of the financial year.

Definitions and abbreviations

Nil.

Responsibility and review information	
Responsible officer:	Manager Financial Services
Document adoption/approval details	Approval/adoption date Proof of adoption/approval - meeting name or document no#
Document amendment details	Amendment approval/adoption date Proof of adoption/approval - meeting name or document no#
Next review date	(maximum of four years from last review)

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2.25 Insufficient Budget Allocations					
Delegator:	Council				
Date adopted:	x September 2026				
Delegation:	Council delegates the authority to incur expenditure for a purpose already identified within the budget where there are insufficient funds allocated. <table border="1"> <tr> <td>Legislation</td><td>Section</td></tr> <tr> <td><i>Local Government Act 1995</i></td><td>5.42</td></tr> </table> For the purpose of effective management of the City of Fremantle.	Legislation	Section	<i>Local Government Act 1995</i>	5.42
Legislation	Section				
<i>Local Government Act 1995</i>	5.42				
Delegated to:	Chief Executive Officer				
Limitations on delegation:	Incur expenditure in accordance with the Budget Management Council Policy, subject to: - The proposed expenditure is a maximum of 5% or \$50,000 above the budgeted amount, whichever is the lesser; and - Sufficient funds are available from other budget line items within the overall budget that, in the CEO's opinion, are not expected to be spent during that financial year. Where these criteria are not met, the proposed expenditure is to be presented to Council for an absolute majority decision as if it were for an additional purpose.				
Power to sub delegate:	Nil				
Reporting requirements					
Use of this delegation is to be recorded in the City's record keeping system.					

Exemption Type	Supplier	\$15,001-\$50,000 - Policy Requirement – seek minimum of 2 quotes			
Subscription (excluding software)	MetroCount	Contract Term	12 months	Exemption Reason	MetroCount is supplying, installing, commissioning and supporting permanent traffic and active transport monitoring infrastructure, together with remote data services and integration into the City's existing ATLYST data management platform.
		Contract Value	\$17,976.00		MetroCount/ATLYST is a proprietary traffic data collection and management system that is uniquely compatible with MetroCount traffic counters and their exclusive ".eco" file format. The City's existing permanent traffic count sites, historical traffic database, and ongoing traffic monitoring program are all based on this platform.
		Approval Date	09/06/2026	Value for Money Assessment	Changing to an alternative system would result in significant loss of historical compatibility, disruption to existing traffic monitoring processes, and potential loss of access to long-term traffic data records relied upon for transport planning, engineering assessments, grant applications, and road safety analysis. As such, MetroCount/ATLYST is considered a specialist OEM system with no practical equivalent or substitute available.
		Approval Authority	Director Infrastructure		Value for money is achieved through maintaining a single integrated monitoring platform, preserving access to historical data, reducing administrative and operational costs, ensuring consistency of reporting and analysis, and avoiding the costs associated with data migration, duplicate systems and ongoing management of multiple software platforms. The proposal also includes installation, commissioning, remote data services, diagnostics, technical support and integration with the City's existing ATLYST environment, providing a complete end-to-end monitoring solution with low lifecycle costs.
Specialist Legal or Consultant Advice	Jackson McDonald	Contract Term	4 Months	Exemption Reason	Jackson McDonald holds considerable skills and specific information to support the development of the proposed tender document.
		Contract Value	\$33,000.00		Specific lawyers at Jackson McDonald have advised on the major projects that will benefit from the establishment of this Panel, including; Fremantle Oval Redevelopment and Operations Centre.
		Approval Date	10/06/2026	Value for Money Assessment	The City will see time and cost efficiencies in the procurement of consultancy services, as well as continuity and increased working knowledge of CoF operations.
		Approval Authority	Director Infrastructure		Compared with rates of other legal activities recently procured by the City and considered the value and risk of the services proportionate to the projects involved.

Exemption Type	Supplier	\$15,001-\$50,000 - Policy Requirement – seek minimum of 2 quotes			
Statutory Exemptions including Advertising	Public Transport Authority	Contract Term	12 months	Exemption Reason	Public transport Authority (PTA) is a state Government Agency and is the owner of the public transport network and therefore a sole provider of the Bus shelter replacement program funding partnership agreement.
		Contract Value	\$34,320.55		
		Approval Date	19/06/2026	Value for Money Assessment	The city will be eligible to apply to the bus shelter replacement program for upto 50% funding.
		Approval Authority	Director Infrastructure		
Sole Source of Supply	Truck Centre WA Pty Ltd	Contract Term	12 months	Exemption Reason	Truck Centre is the West Australian distributor for Volvo Trucks. The City requires Volvo truck parts, servicing and technical skills.
		Contract Value	\$22,000.00		
		Approval Date	10/07/2026	Value for Money Assessment	Truck Centre is the West Australian distributor for Volvo Trucks. Maintain vehicle warranties. No other supplier can deliver specific parts, technical requirements and manufacturer-backed support. Truck Centre holds the exclusive distribution rights for new Volvo Trucks in Western Australia.
		Approval Authority	Director Infrastructure		
Original Equipment Manufacturer (OEM)	WA Hino (The Trustee for Truck Unit Trust)	Contract Term	12 months	Exemption Reason	The maintenance and repair of Hino vehicles require proprietary tools, OEM-trained technicians, and access to OEM parts and software. Services that only authorized Hino service centers can reliably provide.
		Contract Value	\$20,000.00		
		Approval Date	31/07/2026	Value for Money Assessment	Use of OEM parts and service centres ensures vehicle reliability, in stock parts and consumables, and access trained technician who specialise in Hino vehicles. This reduces. Third parties cannot provide this level of service and this can impact, repeat work, increased down time and limited access to genuine parts and long lead times. Where appropriate the City uses stock parts available from retail stores.
		Approval Authority	Director Infrastructure		

Exemption Type	Supplier	\$15,001-\$50,000 - Policy Requirement – seek minimum of 2 quotes			
Specialist Legal or Consultant Advice	BMT Commercial Australia Pty Ltd	Contract Term	10 months	Exemption Reason	The City of Fremantle, with Fremantle Ports, implemented Sand Nourishment via Dredge at Port Beach, North Fremantle as the coastal adaptation protection option. As part of the environmental assessment and approval process, the City committed to undertake a Coastal Monitoring program to measure the performance of the sand nourishment, monitor erosion and potential environmental impacts.
		Contract Value	\$43,984.00		BMT were awarded the Coastal Monitoring program and have been performing the scope of works since the sand nourishment. As part of the environmental assessment and approval process, the coastal monitoring program is to run through until July 2027 at which point it will be reviewed. This exemption is to Contract BMT to complete the monitoring program until July 2027.
		Approval Date	21/08/2026	Value for Money Assessment	BMT were appointed as the Consultant from a competitive procurement process and in accordance with the City’s Purchasing Policy. BMT were the best value for money received and were awarded the contract on this basis. The rates of the variation are in accordance with the tendered rates adjusted for annual CPI increases. The scope has also been adjusted to reflect the latest data capture methodology and access to Dept. of Transport and Major Infrastructure survey and data sets.
		Approval Authority	Director Infrastructure		
TOTAL EXEMPTIONS \$15,001 - \$50,000					\$171,280.55

Exemption Type	Supplier	\$50,001-\$249,999 - Policy Requirement – seek minimum of 3 quotes			
Sole Source of Supply	MetroCount	Contract Term	One-Off	Good and Services provided (scope)	MetroCount is supplying, installing, commissioning and supporting permanent traffic and active transport monitoring infrastructure, together with remote data services and integration into the City's existing ATLYST data management platform.
		Contract Value	\$67,000		The scope includes: - A permanent RoadPod VP vehicle monitoring site on Hampton Road, South Fremantle, capable of collecting continuous vehicle volume, speed, classification and directional movement data. - Two permanent RidePod® BP active transport monitoring sites at the Montreal Street underpass and Forrest Street underpass, capable of collecting cyclist, e-scooter and pedestrian volume, speed, classification and directional movement data. - Supply and installation of sensors, cabinets, solar power systems, communications equipment and remote access modules. - Project management, site commissioning, diagnostics, technical support and remote data collection services. - Ongoing delivery of raw data and reporting through the MetroCount ATLYST platform, which is the City's existing traffic and active transport data management system.
		Approval Date	15/06/2026	Value for Money Assessment	The City assessed whether alternative suppliers could provide equivalent traffic and active transport monitoring equipment and services. While alternative suppliers exist, MetroCount provides the best value for money because its equipment, proprietary data formats and ATLYST software platform are fully compatible with the City's existing traffic monitoring network and historical datasets.
		Approval Authority	CEO		Value for money is achieved through maintaining a single integrated monitoring platform, preserving access to historical data, reducing administrative and operational costs, ensuring consistency of reporting and analysis, and avoiding the costs associated with data migration, duplicate systems and ongoing management of multiple software platforms. The proposal also includes installation, commissioning, remote data services, diagnostics, technical support and integration with the City's existing ATLYST environment, providing a complete end-to-end monitoring solution with low lifecycle costs.
TOTAL EXEMPTIONS \$50,001-\$249,999					\$67,000.00